Daily Report

Latin America

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Honduran Foreign Minister on Summit in Nicaragua

PA2003200090 Hamburg DPA in Spanish 1925 GMT 20 Mar 90

[Text] Tegucigalpa, 20 Mar (DPA)—The demobilization of the Nicaraguan contras stationed in Honduras will be the main topic at the upcoming Central American presidential summit in Nicaragua on 31 March and 1 April, Honduran Foreign Minister Mario Carias Zapata has announced.

He added that Honduras expects the demobilization to take place peacefully, according to the desire of the parties and with the participation of the United Nations through its military observers in the region.

Meanwhile, Honduran Deputy Foreign Minister Jaime Guell Bogran said Honduras supports the proposal to have an armed Venezuelan battalion in charge of receiving the weapons from contras in Honduran territory.

Carias Zapata announced that to arrange the details on the summit, President Rafael Leonardo Callejas will make a tour through Central America which will begin in Guatemala on 24 March and end in Costa Rica on 25 March.

Canada-Caribbean Commonwealth Summit in Barbados

FL2003152290 Bridgetown CANA in English 1450 GMT 20 Mar 90

[Report by Peter Richards and Mark Lee]

[Text] Bridgetown, Barbados, March 20, CANA—Canadian Prime Minister Brian Mulroney and Commonwealth Caribbean leaders moved into a final session of talks here Tuesday [20 March], focusing on major political issues confronting the international community.

Barbados Prime Minister Erskine Sandiford, who is chairing the two-day summit, said the talks have been progressing satisfactorily and attributed it "to the cooperation of all concerned."

"The conference, generally speaking, has gone according to schedule, and if anything we are ahead of our schedule. I think this is due to the cooperation of all concerned," he said.

On Monday [19 March] the leaders, with the exception of Montserrat's Chief Minister John Osborne who is absent from the summit, discussed a number of issues including trade, financial and technical co-operation, and international finance. Sandiford said the leaders will also be discussing the final communique to be issued later on Tuesday.

Well informed sources said the leaders are expected to discuss developments in Eastern Europe, where a number of hardline communist regimes have fallen, Central America, where new U.S.-backed governments have emerged, and South Africa.

They have already been urging Western aid donors not to divert financial assistance from the region to Eastern Europe, and Prime Minister Mulroney said Canada had no intention of doing so.

Regarding developments in Central America, the sources said St. Vincent and the Grenadines Prime Minister James Mitchell is likely to lead off the discussions, following his visit to Nicaragua at the head of an international observer team to the presidential elections. Canada on Monday presented an economic package to the Commonwealth Caribbean including a CAN 182 million dollar debt write off and duty free entry for a wider range of goods in the Canadian market under the Caribcan [Caribbean/Canada] Free Trade Agreement. The package was presented by Mulroney at the start of two days of talks with the leaders of the 13 Caribbean Community (Caricom) countries and the British dependencies of Anguilla, Bermuda, the Turks and Caicos Islands, and the British Virgin Islands.

But while the leaders have welcomed the Canadian initiative, they have told Mulroney that they would like a formal Caribcan treaty and duty free access for all Caribbean exports instead of the 98 per cent announced Monday by the Canadian Prime Minister.

"I would like to get from the Canadians something like we have with Lome (the trade and aid pact between the African, Caribbean and Pacific States and the European Community), where you plan for five years how much you are going to get," Dominica Prime Minister Eugenia Charles told CANA [CARIBBEAN NEWS AGENCY] at the end of the first closed session of discussions between the leaders.

Trinidad and Tobago's Prime Minister A.N.R. Robinson said the free trade agreement should be no less favourable to the Caribbean than the agreements between Canada and any other country including the United States.

"We would like to see duty free entry for all our products into the Canadian market as a minimum, especially since the Caribbean is a developing (region) and the U.S. is highly developed," said Robinson who with Antigua and Barbuda Deputy Prime Minister Lester Bird had raised the issue in the closed session.

Bird proposed to the meeting that Canada and Caricom "formalise our economic relationship" through the creation of an open-ended treaty arrangement covering trade, aid, and investment.

"...The provision of aid under a treaty arrangement would provide us with a level of aid which would be predictable and which would allow us to plan development in a more meaningful way," Bird told the meeting.

At the opening session, Prime Minister Sandiford said Caribbean countries had a strong preference for trade

rather than aid but he asserted that the Caribcan trade arrangement lay in its "exclusive list."

"It is often said with respect to both the CBI (Washington's Caribbean Basin Initiative) and Caribcan agreements that they permit duty free access of approximately 98 per cent of the products which Caribbean countries currently export to the United States and Canada," Sandiford remarked.

"However, the irony is that the remaining two per cent of the products such as bauxite, bananas, textiles, clothing, leather products, shoes, and luggage which have not been granted duty free access are the principal commodities which Caribbean countries have traditionally exported and for which they have built up some production capability."

Mulroney announced the forgiveness of 182 million dollars in debt to 11 Caricom countries—93 million for Jamaica alone—and expanded the Caribcan product coverage to include leather luggage and certain vegetable fibre products. He also announced his government's plans for a new industrial cooperation office in Ottawa for the Commonwealth Caribbean costing one million dollars to be put in place. It will be operated by the Canadian Exporters Association to assist the private sectors of the Caribbean and Canada to develop long term commercial relationships, "designed to create jobs and new prosperity throughout the Commonwealth Caribbean."

Communique Issued

FL2003190190 Bridgetown CANA in English 1826 GMT 20 Mar 90

[Text] Bridgetown, Barbados, March 20, CANA—Following is the communique issued here Tuesday [20 March] after talks between Canada and the Commonwealth Caribbean:

"The heads of government of the Commonwealth Caribbean and Canada met in Barbados on March 19-20, 1990.

The heads of government participating in the meeting were: the Hon. Emile Gumbs, chief minister of Anguilla; the Rt. Hon. Sir Lynden Pindling, prime minister of the Bahamas; the Rt. Hon. L. Erskine Sandiford, prime minister of Barbados; the Rt. Hon. George Price, prime minister of Belize; the Hon. Sir John Swan, premier of Bermuda; the Hon. H. Lavity Stoutt, chief minister of British Virgin Islands; the Rt. Hon. Brian Mulroney, prime minister of Canada; the Hon. Eugenia Charles, prime minister of Dominica; H. E. Hugh Desmond Hoyte, president of Guyana; the Rt. Hon. Michael Manley, prime minister of Jamaica; Dr. the Rt. Hon. Kennedy Simmonds, prime minister of St. Christopher and Nevis; the Rt. Hon. John Compton, prime minister of St. Lucia; the Rt. Hon. James Mitchell, prime minister of St. Vincent and the Grenadines; the Hon. A.N.R. Robinson, prime minister of Trinidad and Tobago; the Hon. Oswald O. Skippings, chief minister of the Turks and Caicos Islands; the Hon. Lester B. Bird, deputy prime minister of Antigua and Barbuda; and Dr. the Hon. Francis Alexis, attorney general-designate of Grenada, headed their countries' delegations.

Sir Shridath Ramphal, secretary general of the Commonwealth; Mr. Roderick Rainford, secretary general of the Caribbean Community and Common Market (Caricom); Dr. Vaughan Lewis, director general of the OECS [Organization of Eastern Caribbean States]; Mr. Neville Nicholls, president of the Caribbean Development Bank; and Mr. Alister McIntyre, vice chancellor of the University of the West Indies, attended as special resources persons.

2. [number as received] The heads of government welcomed the opportunity presented for a fruitful dialogue on matters of mutual concern, and for the reaffirmation of the valued traditional relationship among their peoples, particularly in the context of the rapid and far-reaching global political and economic changes which have taken place since their last meeting five years ago in Jamaica.

They paid special attention to Commonwealth Caribbean/Canada relations and also discussed hemispheric and international political and economic developments.

3. The heads of government reviewed the many years of valuable cooperation between the Commonwealth Caribbean and Canada at the bilateral, regional, and multilateral levels.

They stressed the special nature of this relationship, which was marked by a common interest in maintaining peace and democracy in the region, an open approach to problem solving, a genuine concern for the social and economic well-being of their peoples, and effective mechanisms for dialogue.

This special relationship had always been a source of mutual satisfaction and benefit. The prime minister of Canada reaffirmed his government's deep commitment to this special relationship, and gave the assurance that the Commonwealth Caribbean continues to be an area of the highest priority in Canada's foreign relations. The Commonwealth Caribbean heads of government welcomed this renewed assurance.

4. The heads of government, having examined the results of the review of Caribcan [Caribbean/Canada], expressesd their concern at the trade imbalance between Canada and the Commonwealth Caribbean, and stressed the need to improve the effectiveness of the Caribbean programme.

In response to this shared concern, Prime Minister Mulroney announced certain programme improvements. He also stated Canada's intention to establish in 1990 an Industrial Cooperation Office for the Caribbean, in Ottawa, managed by the Canadian Export Association. This will promote and facilitate Canadian

investment, joint ventures, technology transfer agreements, and other forms of business collaboration with the Caribbean.

Prime Minister Mulroney announced as well that Canada would host a major Caribbean Investment Conference in Toronto and Montreal in the spring of 1991, the purpose of which would be to heighten prospective Canadian investors' awareness of emerging investment opportunities throughout the region.

5. The Commonwealth Caribbean heads of government stressed the importance of Canadian private sector investment in the Caribbean including investment in direct shipping and tourism, and urged the Government of Canada to facilitate action towards this end.

6. The heads of government emphasised the need for continued efforts to strengthen regional integration, and highlighted the Grand Anse Declaration of Caricom heads of government as a significant contribution to these efforts.

The Commonwealth Caribbean heads of government also expressed appreciation for Canada's development assistance. Prime Minister Mulroney reassured Caribbean leaders of Canada's continued commitment in the field of development assistance, notwithstanding fiscal restraints in Canada.

In this context, he announced that Canada would fund a 10 million dollar project to strengthen key programmes of the University of the West Indies (UWI). He further stated that Canada would fund a 2.5 million dollar two-year project to supply Canadian technical expertise to help Caribbean countries improve airport safety.

International issues of common interest:

7. With specific reference to recent hemispheric and international developments, the heads of government reviewed the situation in Haiti, Central America, Southern Africa and Eastern Europe, particularly the revitalisation of democracy and the growing recognition of the rights of the individual.

8. The Commonwealth Caribbean heads of government warmly welcomed the entry of Canada into the Organisation of American States (OAS), and exchanged views on how Canada and the Caribbean could effectively cooperate in the strengthening of that hemispheric body.

9. On Belize, the heads of government took note of the discussions held last December between the prime minister of Belize and the president of the Republic of Guatemala and expressed the hope that such discussions would lead to the recognition by Guatemala of the sovereignty of Belize within its established borders. They regarded the process of dialogue at this high level as invaluable to the pursuit of peace and development in the region.

10. In relation to Haiti, the heads of governments were heartened by recent encouraging events. They pledged their commitment to cooperation with the Haitian people in the establishment of democracy in that country.

11. The heads of government also welcomed the encouragement given to the Central American peace process by the recent elections in Nicaragua.

12. In their review of international political developments, the heads of government paid particular attention to evolving events in Southern Africa. They expressed deep satisfaction at the peaceful transition to majority rule in Namibia, and issued a special joint message of congratulation to the government and people of Namibia on the achievement of sovereignty and full independence.

With regard to South Africa, heads of government welcomed the release of Nelson Mandela. They, however, reaffirmed their commitment to maintaining sanctions against the Pretoria regime until there is evidence of clear and irreversible change. They emphasised that this continued to be the most effective means at the disposal of the international community for ensuring the eradicaton of apartheid.

13. The heads also examined the impact of developments in Eastern Europe, and the consequent diminution of East-West tensions. They, however, stressed the importance of ensuring that any response to the economic and social needs of Eastern Europe should not be detrimental to the growth of developing countries, in particular the Caribbean.

14. The heads of government recognised that the economies of the Caribbean, for the most part small island developing states, faced the critical problems of fluctuating commodity prices, protectionism, global monetary and financial instability, debt and structural adjustment.

They highlighted the negative net resource transfers and foreign exchange problems resulting from the heavy needs of debt servicing. Prime Minister Mulroney's announcement that Canada would forgive all remaining debt on existing Canadian official development assistance loans to Commonwealth Caribbean countries was welcomed as a far-sighted and precedent-setting development.

The prime minister undertook to convey to the summit of the industrialised nations, in Houston, Caribbean views of the need for continued inflows of development assistance to the Caribbean, including increased private sector investment.

The heads of government also recognised that the movement towards the formation or strengthening of major trading blocs held both challenges and opportunities which required very careful monitoring and analysis, as well as timely action, by Commonwealth Caribbean countires.

15. Coming as it did amid a number of major international conferences on drug trafficking, the Barbados

meeting provided an opportunity for Caribbean countries to present their views on the best ways to fight narcotraffickers, and to seek Canada's collaboration in that respect. The prime minister of Canada announced that Canada plans to take a number of multilateral and bilateral initiatives to expand cooperation with the countries of the region in the fight against drugs, and stated that Canada will seek to join the Inter-American Drug Abuse Control Commission of OAS. He also commended national drug control programmes being implemented by Caribbean governments, as well as initiatives by Caribbean leaders which have been presented to the international community. The leaders urged all nations which had not already done so to ratify the 1988 Vienna Convention on Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

16. The heads of government recognised that international cooperation on environmental matters was now an imperative of continued human survival. They reiterated calls for a coordinated approach which did not unduly restrain the growth prospects of developing countries. They were pleased with the added impetus given by the CIDA [Inter-American Committee for Agricultural Development] study on the environment to the development of environmental policies and programmes in the region. They considered that the Port-of-Spain Accord on the environment epitomised the Commonwealth Caribbean's commitment and represented a concrete programme of action with respect to environmental protection and management.

They agreed that the two documents together constituted a meaningful point of departure for enhanced cooperation between the Commonwealth Caribbean and Canada in this vital area.

17. The heads of government expressed their deep appreciation to the prime minister, the government, and people of Barbados for the generous hospitality and the excellent facilities provided for the meeting, and also expressed appreciation to the conference secretariat for its assistance.

End of text

Ends With Debt Forgiveness

FL2003212990 Bridgetown CANA in English 2045 GMT 20 Mar 90

[Report by Mark Lee]

[Text] Bridgetown, Barbados, March 20, CANA—A two-day summit between Canada's Prime Minister Brian Mulroney and Commonwealth Caribbean leaders ended here on Tuesday [20 March] on a high note for the regional heads but with Mulroney already facing criticism at home for writing off CAN 182 million dollars in debt to the Caribbean.

"It was a very successful conference in which we covered a wide range of issues including trade, aid and development," host Prime Minister Erskine Sandiford told journalists covering the meeting.

"I wouldn't be surprised if there were some angry words back home because times are not as easy as at some times in the past," said Mulroney in response to criticism that the debt forgiveness announced Monday amounted to squandering Canadian taxpayers' money.

He declared an "ongoing responsibility" to see that Canada tries to contribute to a sustained and equitable economic environment in developing nations.

A top official of the Organisation of American States observed that maybe it was time people in the developed countries were made to realise that the wealth they enjoy is to a large extent created in the developing countries and such actions as Mulroney's are not simply magnanimity but a sharing "in a symbiotic relationship."

But if one thing were clear at the meetings between Mulroney and 13 member countries of the Caribbean Community (Caricom) as well as four British dependencies, it was that they were without rancour and were mutually beneficial.

Sandiford recalled the debt write-off, a CAN10 million dollar grant to the regional University of the West Indies, establishment of a trade development mechanism and the widening of the list of goods which get duty free treatment under the Caribcan one-way free trade agreement—all announced by Mulroney at the opening of the conference.

"Constructive and deeply beneficial" is how the Barbados leader described the write-off to 11 countries. He said it was the first time that middle income developing countries "forced with carrying the cross of our own success" were getting such concessions as have been extended to sub-saharan Africa.

Middle income countries are faced with loans at higher interest rates and with shorter payback periods than poorer nations.

Conference participants noted on the other hand that the Canadian concession really attempts to redress the trade balance which is heavily in Canada's favour. In 1989, Canadian merchandise exports to the Commonwealth Caribbean amounted to CAN340.1 million dollars, down five per cent on 1988, while imports from the region totalled 291.1 million dollars—up nine per cent.

The Canadian government assesses that the debts written off, which were long term and interest free, would be about three to five per cent of their face value. Even at that minimal assessment, both Sandiford, and Jamaican Prime Minister Michael Manley see the move as a positive signal to other developing countries and multilateral institutions such as the International Monetary Fund and the World Bank to follow suit.

Manley described the debt announcement as "magnificent." "It is a magnificent gesture in itself and a tremendous signal to the international community and to other developed countries," Manley, whose country owes CAN93 million dollars of the total debt, told CANA. "It is an act of extraordinary and exemplary statesmanship."

In their final communique, the leaders proclaimed the "many years of valuable cooperation between the Commonwealth Caribbean and Canada at the bilateral, regional and multilateral levels."

They stressed the special nature of this relationship "which was marked by a common interest in maintaining peace and democracy in the region." The next major round of talks between the two groups will be a Caribbean investment conference in Toronto and Montreal in the spring of 1991, the purpose of which Mulroney said will be to "heighten prospective Canadian investors' awareness of emerging investment opportunities throughout the region."

Regional Parliament Rejects Panamanian Delegates

PY2003171190 La Paz La Red Panamericana in Spanish 1130 GMT 20 Mar 90

[Text] The fifth plenum meeting of the Latin American Parliament, in La Paz, has rejected the Panamanian delegates.

A debate was held at the Latin American Parliament session regarding the presence of a delegation of Panamanian legislators. As a result of this debate the Latin American Parliament board ordered the Panamanian delegation to leave the meeting because its presence was violating the Latin American Parliament statutes and regulations.

At the end of the first session, Humberto Pelaez, the Latin American Parliament chairman, said the Panamanian legislators were asked to leave because their presence was not in keeping with statutes. He added that no parliament meeting or legislative assembly can cease to function even for 24 hours according to the Latin American Parliament regulations.

It was noted that Panama had no representatives to the international organization for several months [words indistinct].

Pelaez added that to have fully recognized representatives, Panama must request re-admittance at the next ordinary session of the Latin American Parliament. He added that only then, will it be established if this request is viable.

The Panamanian legislators protested the Latin American Parliament decision and left the floor.

Addressed by Cuban Legislator

FL2003141490 Havana Tele Rebelde Network in Spanish 1200 GMT 20 Mar 90

[Text] Speaking at the fifth meeting of the Latin American Parliament in La Paz, Cuban legislator Ramon Pez Ferro said that Cuba is in the sights of U.S. aggression. Pez Ferro made this statement after expressing Cuba's support for a draft proposal presented by Bolivia condemning the U.S. intervention in Panama, demanding the withdrawal of its occupying troops, and demanding free elections in that nation. The Cuban representative also supported a demand contained in the Bolivian draft calling on Latin American governments not to recognize the regime imposed by the U.S. invaders in Panama.

Cuba

Castro Sends Congratulations to Gorbachev

FL2003134790 Havana Tele Rebelde Network in Spanish 1200 GMT 20 Mar 90

[Text] Commander in Chief Fidel Castro Ruz, president of the Cuban Councils of State and Ministers, has sent a message to Soviet leader Mikhail Gorbachev on the occasion of his recent election as president of the USSR. The text of the message says:

Upon being elected president of the USSR, I want to congratulate you, Comrade Gorbachev, on behalf of the people, the Communist Party, and the Government of Cuba, in addition to expressing my feelings of personal satisfaction for such a relevant appointment.

The peoples of the Soviet Union have given you great responsibilities. First, you head the efforts to maintain unity among those peoples who constitute the glorious USSR which for decades, isolated and alone, embodied the hopes of the best men of humanity and which played such an exceptional role against Nazi fascism and in the world's struggle for peace. It is also your responsibility to lead the Soviet Union at a time of transformation when it is decisive to preserve the spirit the Soviet combatants brought to their movement. To work for a peaceful understanding that reconciles the interests of the superpowers with the aspirations of the Third World is another large task of your new position.

We are confident, Comrade Gorbachev, that your good sense and great political talent, with the support of the Soviets and the comprehension of the peoples of the world, will allow you to fulfill such important and historic tasks. For these noble purposes, you can count on the support and solidarity of the Cuban people.

Sending you a sincere embrace;

[Signed] Fidel Castro Ruz, president of the Council of State and Government of the Republic of Cuba, 15 March 1990.

Castro Meets Businessmen in Rio de Janeiro

FL2003173190 Havana Tele Rebelde Network in Spanish 1200 GMT 20 Mar 90

[Text] Cuban President Fidel Castro, who is now in Rio de Janeiro, explained there to a group of Brazilian businessmen the important cooperation Cuba has been carrying out with foreign companies. Fidel talked with these businessmen about the possibilities for cooperation in important economic areas. Roberto Marinho, president of the O Globo organization, and (Joao Donato), president of the Confederation of Industries of Rio de Janeiro, participated in the meeting. Prior to the meeting, Fidel met with Marino at the O GLOBO offices where an agreement was signed with Cuba.

The Cuban president had arrived in Rio de Janeiro in the morning for an official visit as a guest of Governor Wellington Moreira. Fidel was met at the Galeao military airport by civilian and Armed Forces officials. After being welcomed, the commander in chief and the Cuban delegation accompanying him immediately began an intense schedule of activities. From the airport a long motorcade continued down Avenida Brasil to the Oswaldo Cruz Foundation, where Fidel was met by (Akira Joma), director of the foundation. After visiting the offices of the foundation's directors, the Cuban president talked with the researchers and experts who are producing the yellow fever vaccine, and with those who are evaluating the Cuban meningitis B vaccine.

Meets Brazilian Party Leader

FL2003153990 Havana Radio Reloj Network in Spanish 1502 GMT 20 Mar 90

[Text] Leonel Brizola, former governor and secretary general of Brazil's Democratic Labor Party, has told PRENSA LATINA that he considers President Fidel Castro to be an admirable human being, full of generosity, and always aware of his leadership and guidance role.

As part of his activities last night in Rio de Janeiro, Brazil, he visited Brizola's home in Copa Cabana. Upon his arrival at the apartment complex, the Cuban leader was received by applause from a large group of neighbors who were waiting to greet him under a steady rain.

Our commander in chief spoke for more than an hour with Brizola, his wife, other family members, and Deputy Mayor Roberto de Avila in the presence of other political leaders. Fidel discussed various topics with his hosts and told them he was greatly fatigued as a result of his intense program of activities in Sao Paulo and Rio de Janeiro.

Raul Castro, Rodriguez Welcome Castro in Havana

FL2103003090 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Mar 90

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC] Central Committee and president of the Councils of State and Ministers, arrived in Cuba today. Upon his arrival in the capital's airport he said the trip and the results were excellent. Army General Raul Castro, second secretary of the PCC Central Committee; Carlos Rafael Rodriguez, member of the PCC Politburo; and other state and party leaders welcomed the top leader of the Cuban revolution at the airport.

In his first remarks to the press immediately following his arrival, Fidel said everything had gone very well and that the contacts he made with everyone were excellent. Upon his arrival from Brazil, where he attended the inauguration of President Fernando Collor de Mello, Fidel said he had never had as many meetings and interviews anywhere else. The president of the Councils

of State and Ministers of Cuba considered as especially interesting and of great value the meeting with the religious people and intellectuals. He also referred to the meetings he held with businessmen, various invited figures, and authorities and figures in Brasilia, Sao Paulo, and Rio de Janeiro. He stated it would be very difficult to estimate the number of hundreds and hundreds of reporters with whom he talked, including the numerous interviews granted to the most important Brazilian television channels.

The top leader of the Cuban revolution noted that he was able to talk extensively and thoroughly about ideas, and discuss and analyze all kinds of matters. He added: I am personally very satisfied with all the results and now let's resume work here immediately. We cannot lose a single minute, stressed our Commander in Chief Fidel Castro.

More on Castro Return

FL2103022090 Havana Television Service in Spanish 0100 GMT 21 Mar 90

[Excerpt] Our Commander in Chief Fidel Castro arrived in the fatherland this afternoon after a six-day official visit to Brazil where he attended the inauguration of new President Fernando Collor de Mello. [video shows Raul Castro and Carlos Rafael Rodriguez waiting at the airport]

Army General Raul Castro and other state and party leaders went to welcome Fidel and the delegation accompanying him. [video shows Fidel Castro embracing Raul Castro, Carlos Rafael Rodriguez, and other officials]

[Begin Castro recording] The trip was excellent and the results were excellent also. I had never granted as many interviews. The meetings with all sectors were very good in general. The contacts made with religious people and intellectuals were especially interesting and of great value. Contacts were also made with businessmen, a number of figures, various authorities, and with numerous figures in the capital, in Sao Paulo, and Rio de Janeiro. We met with hundreds and hundreds of reporters. It would be difficult to estimate how many.

I granted five television interviews. The four television channels in the country interviewed me. The Sao Paulo channels also interviewed me. The Rio de Janeiro channels interviewed me as well. The biggest networks and the most outstanding journalists interviewed me. I was able to talk at length and discuss ideas with the many people who wanted to discuss and analyze all sorts of matters. Not a single subject was spared in the questions and analyses. Personally, I am very satisfied with all the results. Now, we have to resume work here immediately. We cannot stop. [end recording]

Fidel's reencounter with the Brazilian people surpassed expectations. However, it could have been foreseen if we remember his previous visits to Ecuador, Mexico, and Venezuela. Fidel was again bombarded by the press in Brazil. [passage omitted]

Roa Kouri Discusses UN Human Rights Resolution

FL2003142790 Havana Tele Rebelde Network in Spanish 0202 GMT 17 Mar 90

[Interview with Vice Foreign Minister Raul Roa Kouri and Foreign Ministry official Diana Carmenate on the "International View" program hosted by Valentin Rodriguez; date and place not given—live or recorded]

[Excerpts] [Rodriguez] Good evening. To shake up all the hearts with the pounding of the heart itself, one has to have the roots and imagination of humanity. This was written by our Jose Marti, who defended the highest rights of man. This is precisely the position our revolution maintains, confirmed by the words of our commander in chief. Today, "International View" intends to deal with this pressing problem of worldwide interest.

In the last few days the UN Human Rights Commission discussed an anti-Cuban draft resolution condemning human rights violations in Cuba. Cuban Vice Foreign Minister Raul Roa Kouri, president of the Cuban delegation to the 46th session of the UN Human Rights Commission, is with us tonight with Diana Carmenate, a Foreign Ministry official and a member of the delegation.

Welcome to "International View." I want to begin by asking you how the discussion of this draft developed. I would like you, Vice Foreign Minister, and also you, Diana, who were exceptional witnesses to this and had the honorable mission of defending the Cuban stand during the 46th session, to describe this stand.

[Roa] First, I would like to say that in contrast to other years regarding the presentation of the U.S. draft resolution against Cuba, there was no broad debate on the resolution itself. There was a presentation made by Valladares, a former Batista policeman now turned into a U.S. Ambassador, and I made some comments on the resolution describing it for what it really was—that is, a new attempt at political vendetta against the Cuban revolution—and invalidating it from the substantive and procedural points of view, the more technical aspects of the draft. Then it was submitted to a vote, and all the Cuban people know the results.

There was an explanation of the vote by the Cuban delegation during which we expressed our country's point of view regarding the result of that vote and the content of the resolution which was imposed on the Human Rights Commission because of U.S. pressures, blackmail, etc., and which, in fact, rather than damaging the Cuban revolution—because obviously it cannot—undermined not only the prestige of the UN Human Rights Commission but of the United Nations itself.

[Rodriguez] What are the characteristics of the resolution?

[Roa] This is a resolution in which.... [changes thought] They had to change much of the text of the resolution. First, because the first text they circulated semiofficially

was not received favorably by the members of the European Community, who insisted that the text not be so long, that it be very brief and simply be limited to asking the UN secretary general to report on the results of the contacts he has maintained with Cuba in line with the resolution adopted last year, decision 1989/113.

The last text that was voted on did not have a number of paragraphs and references which had made it unpalatable to the members of the European Community. It really is a text limited to asking the secretary general to make this report next year but to include his examination under the subject regarding human rights violations anywhere in the world. This means that in fact the resolution prejudices whatever report the secretary general may make because it wants to place it under the subject of human rights violations.

On the other hand, this draft made reference to alleged reprisals the Cuban Government took against some small groups of counterrevolutionaries who have violated our laws, who have been tried in accordance with the current Penal Code, with all the procedural guarantees, etc., and who in some cases have been sentenced to various prison terms. It said they had been sentenced because they had established contact with the mission that came to Cuba in 1988. This is absolutely false. We were able to show this perfectly well because we had in hand all the information regarding each of these cases, and it was distributed to all the members of the commission. There lies the infamy of this draft. First, it states real falsehoods as truths, and second, it violates the entire process because Decision 1989/113 left it up to the secretary general to decide what would be the appropriate way to deal with his contacts with the Cuban delegation at the United Nations.

[Rodriguez] What are the consequences, from the standpoint of our membership in the UN system and the international community, of this resolution that the Human Rights Commission adopted during this 46th session?

[Carmenate] None. Cuba continues to be member of the Human Rights Commission. Our delegation will return to Geneva next year, because in addition to the specific case of Cuba there are a number of other subjects in which Cuba is very interested and in which it has carried out very positive work. We will continue working in this direction. Therefore, this has no consequences for Cuba as a member of the Human Rights Commission and as a UN member country.

[Roa] Sorry for interrupting, but I would also like to say that the fact this resolution was approved as a result of enormous and brutal pressures and open blackmail by the United States means that for our country, this decision by the commission lacks moral and political relevance, and has therefore been rejected by the Cuban Government, the commander in chief, the Cuban delegation, and the entire people. Therefore, by no means will anything that is included in the resolution be complied with by the Cuban Government or people. I believe this was made very clear in our remarks and even clearer in Fidel's remarks.

[Rodriguez] Certainly.

[Carmenate] It is also very clear to many delegations that were forced to go along with the United States in this shameful act. Their governments were pressured. We can recall how on the same day of the vote and the days following it, representatives of the countries that had to assume this shameful attitude, I repeat, didn't even dare to look at us. When they ran into us they lowered their heads in shame. In other cases, they had a more decent attitude because they abstained, but in any case they felt very uncomfortable because they were fully aware all of that was a product of the tremendous, brutal political pressures of the United States on their respective capitals.

[Rodriguez] What other resolutions did the 46th session of the UN Human Rights Commission adopt?

[Roa] Regarding human rights violations anywhere in the world, a draft resolution was adopted on violations in El Salvador and Guatemala. Beside this, of course, as in many previous years, the policy of Israel in the occupied Arab territories and occupied Palestine has continued to be condemned, with the apartheid policy of the South African racist regime.

In reality, one of the vile deeds of this U.S. attempt against Cuba lies precisely in that they want or wish to place Cuba at the same level as countries that are truly monstrous violators of human rights. There was no reason, after last year's debate and the decision adopted last year, for the Human Rights Commission to approve a resolution regarding Cuba this year. Nothing has happened in our country from March 1989 to March 1990 that justifies the commission's addressing the human rights issue in Cuba in any way. However, things have happened in other places....

[Rodriguez, interrupting] South Africa.

[Roa] In South Africa, for example.

[Rodriguez] In Israel.

[Roa] In Israel, the occupied territories. But in addition, in El Salvador, in Guatemala: the murder of Hector Oqueli, the murder of Hilda Flores; that is, murders that have taken place in Guatemala and murders in El Salvador, of course. Let's not forget the contras in Nicaragua. The United States is the main violator of human rights in the world, not only of their own citizens but of also many other peoples. They have wanted to show up there taking upon themselves the right to politically try everyone in that commission, as if they were on Olympus, a rare bird, untouchable.

[Rodriguez] Vice Foreign Minister, it caught my attention that in the usual yearly report made by the U.S.

Government on human rights, as you say, it takes upon itself the right to criticize and become a prosecutor to condemn alleged human rights violations in the entire world. Can the international community, using the mechanisms it has, call to account this human rights violator, one of the main human rights violators, the United States, at a given time?

[Roa] This is one of the paradoxes and also the ironies of the work of the United Nations and, in particular, of the Human Rights Commission. The United States, the U.S. State Department, writes this report every year on the human rights situation in the whole world. However, it of course omits the human rights situation in the United States. It is sent to Congress and is distributed throughout the world. Nevertheless, the Human Rights Commission—which like any UN organization is based on resolutions adopted through votes—cannot, is not in a position to call the United States to account for the true human rights violations it perpetrates not only in its country but in other places in the world, simply because the power of the Yankees prevents the countries from coming out in favor of such a draft resolution.

It can be done; not only can it be done, but we have presented an in-depth analysis of human rights violations in the United States. We were not the only ones. There were other commission member countries that also referred to those violations. Many nongovernmental organizations represented as observers on the commission referred to this; for example, black attorneys, Native Americans, a number of nongovernmental organizations that even represent U.S. citizens whose rights are violated year after year by the United States. Nevertheless, if you present a draft resolution, they use the same mechanism they have used to impose the resolution against Cuba so that a resolution is not imposed on them.

[Rodriguez] Do you think that the time will come when....[changes thought] Keeping in mind that the United Nations and the pure feelings of humankind hope that the United Nations can be democratized and that the major violator of human rights can be called to account, but as long as this does not happen, are there some mechanisms that can be used to condemn this position? I was consulting with some sources and, for example, last year the U.S. Supreme Court, with three votes in favor and five against, approved applying the death penalty for minors and mentally ill people. [sentence as heard] Thus really, this was a shameful act. My question is, can the UN Human Rights Commission use this kind of mechanism at some time to condemn the U.S. position?

[Roa] I think the correlation of forces in the world would have to change very considerably, and we hope that it will change. I am historically an optimist, therefore, I have no doubt that the time will come. But I want to say something more. A very short time ago—precisely as we were meeting in Geneva—the U.S. Supreme Court approved what is simply called the right of the United States to kidnap people outside the national territory of the United States because they have violated U.S. law, according to them. That is, in the middle of the 20th century, at the dawn of the 21st century, it has issued a letter of marque that goes much further, that has a scope going much further than the letters of marque that were given to English and French corsairs in the 19th century and previous centuries. It is incredible; it is the absolute limit!

The invasion of Panama, that in itself is the most repugnant, blameworthy act that has occurred from last year to the present....[changes thought] However, you saw; I do not know if you saw the result of the vote. In spite of the fact that the vote, that the resolution proposed by Cuba was approved, there were numerous abstentions. But in addition there were many U.S. allies and the United States itself, of course, and the puppets they imposed in Panama, that voted against it. So this is what is called the double standard, being two-faced, not only on the part of the United States, but of its allies, which are so...[rephrases] which take such a shameful position, like remaining silent in the face of the massacre of the Panamanian people, really the poor people, because it was in San Miguelito-....[rephrases] that is, the poor districts in Panama, were the ones that were massacred.

Nevertheless, these gentlemen who dare to vote against Cuba—where there are no human rights violations, where there are no massacres, where there are no dogs that harass the crowds, the demonstrations, where in fact there are no demonstrations except in favor of the government and the revolution—these gentlemen vote against condemning the United States for the Panama invasion and vote in favor of alleged human-rights violations in Cuba. This is the double standard that reigns today among the United States and its partners.

[Carmenate] We would also have to point out that in this case the United States exerted strong pressures because many countries that at the beginning, many delegations that at the beginning approached us interested in the draft on Panama condemning the United States for the Panama invasion, and that had voted for, had supported this resolution in the General Assembly, in the end were forced to abstain as a result of the tremendous pressure the United States exerted on their governments. [passage omitted]

[Rodriguez] These facts, these realities, and these opinions which have been discussed tonight confirm the truly disgraceful nature of the U.S. position against human rights, and above all against the human rights of the small nations, the underdeveloped nations, the nations of the so-called Third World. I think, and I am expressing the feelings also of my guests, that this exchange of views has allowed you to see even more clearly this truly disgraceful and shameful U.S. position. I thank you, Dr. Raul Roa and Diana, for your participation in our program, and I hope to see you, viewer friends, on 23 March.

Adverse Impact of Polish Economic Program Noted

FL2103034390 Havana Television Service in Spanish 0100 GMT 21 Mar 90

[Commentary by Daisy Gomez]

[Text] Some time ago, while reading a news dispatch from Warsaw, I recalled a conversation held with a Polish colleague toward the middle of last year. Then, he was hopeful that the measures about to be implemented by the government led by Solidarity would be able to improve the economic situation in his country. Nevertheless, reality has proven his expectations wrong.

The government's economic plan to introduce capitalism in Poland was implemented on 1 January 1990. The reduction of inflation was among its first goals. To achieve this, the three main sources that supply circulating currency: budgets, credits, and salaries, were attacked. The reduction of state subsidies to a number of goods and factories resulted in the increase of basic goods prices and the closure of numerous industries. This increased unemployment. Economists believe that over 1 million people will be left without jobs by the end of this year.

Also, the reduction of credits to private producers or cooperative members has caused serious losses to mid-size and small businesses. Agriculture, 80 percent of which is in the hands of individual peasants, has also been affected by the reforms. Let's see what this Polish peasant, who was interviewed by French television, has to say about it.

[Begin Polish peasant recording in Polish with simultaneous Spanish translation] There are no more subsidies, therefore, there are no price guarantees, and inflation, which continues to rise, does not allow us to obtain loans to buy machines, fertilizers, fuel, etc. [end recording]

Regarding salaries, the Center of Public Opinion Studies, an independent Polish organization, revealed that 93 percent of the citizens believe that the salaries received are much lower than cost-of-living increases. Most of the people polled said their pay can only cover essentials and they can hardly make ends meet from one payday to the next. Unemployment and sharp price increases show the negative impact of Prime Minister Tadeusz Mazowiecki's economic program cosponsored by the IMF, which granted the country a loan amounting to over $700 million.

Despite promised Western financial aid, the economic measures are already having an effect in Polish politics. According to specialized polls, Solidarity, which gained power calling itself a labor union defender of labor interests, lost 12 percent of its followers as of 1 February.

The growing discontent of the people in the midst of the complex Polish economic situation makes it possible to predict changes among the various forces composing Solidarity. Clashes of interest and views on the exercise of power can already been seen.

Almeida Heads Delegation to Namibia Celebrations

FL2003145990 Havana Tele Rebelde Network in Spanish 1430 GMT 20 Mar 90

[Report by Daniel Torres from the "Hot Off the Press" section of the "Morning Magazine" program]

[Text] Friends: Preparations continue in Windhoek, the nation's capital, for the ceremony that will be held at 2330, local time, to declare the independence and sovereignty of this African nation. I should remind you that close to 5,000 guests will participate in this ceremony at which UN Secretary General Javier Perez de Cuellar and South African President Frederik de Klerk will speak. Among this large number of guests is a Cuban delegation headed by Commander of the Revolution Juan Almeida Bosque.

I should tell you that this morning Commander Juan Almeida met with Namibian President Sam Nujoma with whom he exchanged various opinions. He also congratulated the Namibian people on this historic moment, a momentous event not just in Africa, but also a very important moment throughout the world, a moment with international connotations.

In this regard, I would like to say that according to the Latin American press agency, PRENSA LATINA, during the meeting between Almeida and President Nujoma, the Cuban Government expressed its satisfaction with Namibia's upcoming declaration of independence after 23 years of armed struggle by SWAPO [South-West African People's Organization] against South African domination. For his part, the report says, Nujoma expressed his appreciation for Cuba's solidarity and assistance during their years of fighting.

The delegation presided over by Almeida also includes Jorge Risquet Valdes, member of the Politburo of the Communist Party of Cuba [PCC] and secretary of Foreign Affairs of the PCC [as heard]; Division General Leopoldo Cintra Frias, chief of Cuban troops in Angola; Giraldo Mazola, vice foreign minister; and Comrade Alcibiades Hidalgo, chief of the Cuban observation mission in Namibia.

General on UNITA Attack; Equipment Delivered

FL2103024990 Havana Television Service in Spanish 0100 GMT 21 Mar 90

[Text] As part of Operation Victoria, the Soviet ship Skulptor Konenkov has arrived in the Port of Mariel with technology and weapons belonging to our internationalist units in the People's Republic of Angola. [video shows military equipment being unloaded from ship]

This ship arrives precisely today when Namibia's independence will be proclaimed. The Cuban military presence in Angola greatly contributed toward achieving this. The ship brought the combat equipment which was in top condition. The small group of Cuban internationalists accompanying the cargo was received by Division

General Ramon Pardo Guerra, chief of the Western Army, who referred to the note published by GRANMA today informing of a new National Union for the Total Independence of Angola [UNITA] attack against Cuban internationalist troops.

[Begin Pardo Guerra recording] It is a violation of the agreements reached. We are complying with everything established and this is repeated again. They have not listened to the terms discussed initially and to the commitments they themselves made during the last talks. [end recording]

The new cargo includes tanks, armored personnel carriers and armored reconnaissance vehicles, rocket installations, and antiaircraft and surface-to-surface artillery components. Many of them formed part of the 50th tank brigade, a unit which fulfilled missions in Cuito Cuanavale, on the border between Angola and Namibia.

More on Equipment Delivery

FL2003224990 Havana Radio Reloj Network in Spanish 2121 GMT 20 Mar 90

[Text] Soviet ship Skulptor Konenkov has arrived in Havana's Mariel Port. It is transporting weapons and combat equipment belonging to the Cuban units that fulfilled internationalist missions in the People's Republic of Angola.

Division General Ramon Pardo Guerra, chief of the Western Army, received and inspected the modern military equipment which will reinforce the might and combative display of the Revolutionary Armed Forces [FAR]. The war equipment and resources arrived in perfect condition. They are ready to be used at any time. Conditions necessary to transfer them to the appropriate FAR units were created at the Port of Mariel.

Days ago, the Skulptor Konenkov ship left part of its valuable cargo at the Guillermon Moncada Port in Santiago de Cuba. That equipment will be used by the Eastern Army.

DPRK Papers on 'Provocation' of Cuban Ship

FL2003155290 Havana Tele Rebelde Network in Spanish 1800 GMT 19 Mar 90

[Text] The DPRK newspapers NODONG SINMUN and MINJU CHOSON have reported the recent provocation by a South Korean warship against the Cuban freighter Trece Congreso. NODONG SINMUN describes the attempt by the South Korean ship to prevent the free navigation of the Cuban ship as a violation of international norms. The Workers Party paper states that this attack is an act of maritime piracy similar to the one perpetrated by a U.S. ship against the Hermann merchant ship in international waters in the Gulf of Mexico. It is very clear, the North Korean papers add, that both actions are examples of the hostile policy of Washington and its allies against the Cuban revolution.

Haiti

More on Trouillot Speech at Cabinet Installation

FL2003224190 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 20 Mar 90

[Excerpts] Provisional President Ertha Pascal Trouillot swore in the new Cabinet on 19 March at the National Palace before the Army high command, the diplomatic corps, and several political leaders. In the speech she made during the ceremony, the president once again said the biggest job for her government is to hold honest elections under the banner of the Constitution—elections that will formulate the legislative chambers and reinstitute a government chosen by the Haitian people .

The president said these elections will be organized impartially and in a fully independent manner by the Permanent Electoral Council. Moreover, she expressed the wish to see the elections unfold in the presence of observers from international organizations. Mrs. Trouillot added that the members of the current government do not belong to any political clan, that the only candidate they are in favor of is the Haitian people. Their program is aimed at allowing the Haitian people to catch their breath with assistance from the Army in ensuring security and establishing peace that will allow elections to be held normally. She believes her ministers will carry out their responsibilities impartially and in a dignified manner so the elections can be successful [passage omitted].

[Begin Troillot recording, in French] I think that the seriousness of the situation does not call, at present, for the unleashing of passions, regardless of how legitimate they may be; or for disorders that paralyze the administration; or for settling accounts to replace the sovereign authority of the judiciary; or for bloodshed that throws our rural communities into mourning and poisons the lives of the most deserving, the most courageous class in the nation. [passage omitted]

I would like to make all those who, other than yourselves, are listening to me at this moment understand that this provisional government does not intend to make any vain promises to you or give you any illusory prospects of in-depth reforms which do not lie within its competence. Given our economy's current crisis, this brief transitional government has neither the means nor the time to envision applying itself to such reforms. It must be clearly pointed out, to the general public and to those reaching for the moon, that this is a short-term government with a predetermined mission: that of ensuring the transition of power to a definitive government, a government that must be established—I repeat—as quickly as possible. [end recording]

More Reaction to Lalue Incident; Volel Comments

FL2003173490 Port-au-Prince Radio Nationale in Creole 1400 GMT 19 Mar 90

[Excerpts] [passage omitted] [Announcer] Men armed with revolvers, clubs, and machetes beat, manhandled, and reportedly even raped—although we have not yet been able to confirm this—the 13 nuns who live in the school located in Lalue. [passage omitted]

The president of the Republic, Attorney Ertha Pascal Trouillot, an alumnus of the Lalue school, went there on 18 March to express her support and condolences to the nuns following this incident. We have also received a press release from the Lalue school's alumni organization, which announced a demonstration for the morning of 19 March. [passage omitted] Christian Democratic Assembly leader Eddy Volel has also expressed his great indignation. [passage omitted]

[Begin Volel recording] [passage omitted] This barbarity proves that the death squads and the armed macoutes refuse to accept their defeat, that they are afraid and want foreigners to invade and occupy Haiti. Elections and normal life are not possible until these criminals have been disarmed, not possible as long as these forces of death continue to operate. [passage omitted] [end recording] [passage omitted]

[Announcer] Right after the mass, the Lalue alumni and the school's current students held a sit-in. [passage omitted] Students from other schools also came to participate in solidarity with the Lalue nuns. [passage omitted] The sit-in has just ended, and a Ministry of Education delegation has just arrived to visit the nuns. [passage omitted]

Msgr. Romelus Asks Army To Stop Criminals

FL2003230490 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 20 Mar 90

[Excerpts] The forces of darkness are out to destroy the country and put an end to Haitian life just when a brand new government has been established to head the nation, says Msgr. Willy Romelus, head of the diocese of Jeremie and of the Justice and Peace Commission. In a statement on 20 March on behalf of the commission, the bishop also asked the military authorities of Haiti, and other authorities, to take the proper measures to provide security and stop the forces of evil by arresting and trying criminals, and disarming all macoutes and undercover detectives. The Army must do its duty, says Msgr. Romelus, who also asks that Haitian border surveillance be increased.

[Begin Romelus recording] [passage omitted] Especially in view of what occurred at the residence of the Saint-Joseph de Cluny nuns, the Lalue nuns, as head of the Justice and Peace Commission, I am asking the nation's pertinent authorities to quickly take any and all measures necessary to provide security and bar the way to these and any other forces of evil. I ask that they try to catch the criminals so they can be properly brought to trial and given whatever sentence they deserve. I ask that they disarm all macoutes and undercover detectives. I suppose it would also be a good idea for them to increase surveillance and control in the border areas.

Those who are being paid by the government to watch over the nation and the population must do their duty. When called upon to provide security, anybody whose reply is that the person should call the Haitian people deserves to be fired—for he is spending the Haitian people's money for nothing. [end recording]

Msgr. Romelus also asked all parishes in Jeremie diocese to say a special mass on 21 March in solidarity with the Lalue nuns and everyone else being sorely tried by the forces of darkness which are doing all kinds of vile things in Haiti. [passage omitted]

Avril Speech to Palace Soldiers Before Exile

FL2003180990 Port-au-Prince Radio Antilles Internationales in Creole 1130 GMT 19 Mar 90

[Speech by former President Lieutenant General Avril before going into exile on 19 March; place not given—recorded]

[Excerpt] Before resigning some 10 days ago, retired General Prosper Avril gave more than 900 Presidential Guard [PG] soldiers some orders. He asked them not to wear badges so there would be no difference between them and other soldiers. He also asked that all the weapons in the National Palace be removed. Gen. Avril told them that he was going to turn power over to the president of the Court of Cassation and that he was not going anywhere, that just as he had left home to take over the government on 17 September, he was now returning home.

For more details we invite you to listen to Gen. Prosper Avril's final secret orders to more than 900 National Palace soldiers.

[Begin Avril recording] Gentlemen, we have come here to talk to you this morning because we have just made a decision that we think is good for our country. Since we have been here in the Palace, only one thing has guided all our actions: the Haitian Army. I thank you for always having been at my side in the battle. However, the point has come where we must think of the country first.

I understand that they are now attacking members of the Armed Forces in the streets. As you all know, they have murdered a sergeant from the fire department; officers' homes have been looted; prefectures and city halls have been looted and burned. They are trying to destabilize the country so they can once again blame all of Haiti's misfortunes on us. The misfortunes are very near and we are not going to be responsible for such a misfortune befalling Haiti a second time. As long as we are here they will continue to say it is we who are blocking the country's development. They blow out of proportion any

little thing that happens and they blame it on us. Any little crime is blamed on the president of the Republic or on the PG.

To save the PG and the Haitian Army, we must go back home to permit the country to return to stability as quickly as possible. However, this decision was not reached lightly. We made it with guarantees. We are not people who will turn our backs and leave the troops at the mercy of (?chance). We have been given guarantees that not a hair on the head of the PG will be harmed. We have taken measures so the civilian government coming to the Palace will not be obliged to have soldiers hanging around all the time. I studied how to manage to cool the soldiers down so they will not be subjected to political tension, so when a PG soldier passes people will not see him as a political figure but as a soldier like any other.

These measures we have studied are a part of the negotiations we conducted to be able to save the heavy equipment. We are going to put the soldiers from the PG units in the [Dessalines] Barracks buildings. Only the unit on duty will come here, and when its duty is over, it will cross back over to the barracks, as was done a long time ago. Is Ti [name indistinct] here? Are there any old-timers here? [response from troops indistinct]

Ah, there is an old-timer. A long time ago nobody ever tried to pin anything political to soldiers on duty here. The company on duty will march over here every morning and perform its duty. When its duty is over, back it goes. This business of all these things going on here—soldiers sleeping all over the grounds and so forth—we are going to put an end to all of that. Also, we are not leaving a single piece of heavy equipment here. We will take them to the Palace garage, where the [words indistinct] are. That is where we will put all our cannon, our tanks, and everything, and the soldiers will be in the Dessalines Barracks.

Among all these guarantees I obtained, another specific guarantee is that they will not touch anyone in the PG. Also, to eliminate all tendencies toward revenge against a member of the Presidential Guard walking the streets, we will even remove the name—we will mix the PG soldiers in with the other soldiers so people will not be able to distinguish one from another.

As you know, certain officers and enlisted men have worked very closely with me. I asked for special guarantees so no one would say so-and-so was this or that—so everyone would have the full guarantee there would be no reprisals against anyone at all.

The unit is to be housed in the Dessalines Barracks. If you hear disorder in the streets, pretend you hear nothing. Unless they say: Unit Two, take a truck; officer, accompany them to such-and-such a place, you have not heard a thing. That is what will keep all the soldiers here cool! Nothing is going to happen to members of the unit. We will take measures.

Shortly I will call in Gen. Abraham. I have to tell you how this is going to be done. As you know the Constitution says that when the president steps down, he is to be replaced by the president of the Court of Cassation. Of course, there were attempts made to foil this but finally, it is what is going to be done.

We negotiated. We [words indistinct] because for there not to be disorder, things must be written down somewhere. When you say the vice president [of the Court of Cassation] should replace the president, this could cause a problem and they realized this. This is the constitutional solution. So Gilbert Austin, president of the Court of Cassation, will be coming here to replace me. However, as I have always said, the government I had is the government of the Haitian Army. Everyone is always saying it is a personal government. It was not the personal government of Gen. Avril. It was the government of the Haitian Army. Thus, I am returning this government to the Haitian Army. This is a maneuver. I will turn the government over to the Haitian Army, which will turn it over to the Court of Cassation.

Regarding Mr. Austin, the other question was asked was whether they were going to send a plane to [words indistinct]. Gen. Avril is not traveling. [applause] In the same way that I left home on 17 September to come here, I will leave this position and go back home. [applause] And in the same way, I will take men from among you to provide security for me at home. [applause]

I would like to see Gen. Abraham. Go get Gen. Abraham for me.

I also want to thank you warmly for the way you have behaved not only toward me but toward my wife and children, who have always felt they were right at home within a big family. I cannot let something like that slide by without thanking you warmly, because my wife has always been very sensitive to the way the PG has behaved toward her [applause].

I just told the troops about all the dispositions we have arranged for them, to allow the troops to be integrated into the Haitian Army like all other soldiers, so there will be no idea of reprisals against anyone at all.

First of all, when you go on duty as of today, you need not wear a badge so they can see it is the PG on duty, and so forth. You are going to do your duty as Haitian Army soldiers while waiting for (?Patrice) to come give your unit a name and so forth. I also told them we were taking the heavy equipment to the National Palace garage. All this is to free the Palace of military units so they cannot blame anything at all on any soldier. Thus, I think everything will be all right. I do not know if Gen. Abraham has a word to say. I am going to give him the floor for a few minutes.

Well [words indistinct] very well. I think I have not spoken in vain. I can tell you that I have not had a real rest since 17 September. So now I am going to take a little rest, with you men watching over the country and

over the population too. I am glad you came here before I left so we could say many thanks and so I can tell you that we are still here. In fact, you know it is a member of the Army who is here this evening and that a member of the Army never loses his ties to the Army. I am very happy to see you before going into retirement. [end recording] [passage omitted]

Trinidad and Tobago

Robinson Asks Canada's Help Regarding Refugees

FL2003232090 Bridgetown CANA in English 2126 GMT 20 Mar 90

[Report by Peter Richards]

[Text] Bridgetown, Barbados, March 20, CANA—Trinidad and Tobago's Prime Minister A. N. R. Robinson has asked Canada to provide his country with information on nationals of the twin-island state who are seeking refugee status in Canada. The move came amidst concern in Port of Spain that islanders were giving a distorted picture of political and other developments in the Caribbean state when they applied for legal status in Canada.

Robinson told reporters the issue was discussed at a two-day summit between Canadian Prime Minister Brian Mulroney and Commonwealth Caribbean leaders that ended here Tuesday [20 March]. He said he had written the Canadian Prime Minister Brian Mulroney in response to an earlier letter sent by Canada on the issue.

"What I would like to see is that allegations which are made by persons claiming to be refugees should be available to the government of Trinidad and Tobago for answer and for investigation so that the truth can be ascertained," he said.

Robinson said Trinidad and Tobago's request had "only been sent last night..." And he hoped the matter would be dealt with swiftly.

"What I could say is that Trinidad and Tobago is affected by matters which take place in Canada and it should be possible for those matters to be attended by whoever is responsible," he added.

"Recently we have been experiencing some very serious economic difficulties and people seek opportunities abroad...," Robinson said. "Clearly people who are unemployed in any country and who have the opportunity of availing themselves of new jobs are inclined to do so...," he added.

He said while people would seek to enter Canada "by any means, what we are concerned about is that in doing so they should not damage the reputation of Trinidad and Tobago and spoil our international image. That is what we are concerned about."

El Salvador

FMLN Occupies Station To Air Communique

PA2003154090 San Salvador Radio Cadena Sonora in Spanish 1409 GMT 20 Mar 90

[Communique issued by the Farabundo Marti National Liberation Front, FMLN, General Command in San Salvador on 13 March]

[Text] Attention, attention Salvadoran people. Attention, attention Salvadoran people. This radio station has been occupied by an FMLN urban commando group to air the following FMLN General Command communique:

In response to calls made by various Salvadoran social, political, and economic groups to both the FMLN and the government, the FMLN General Command has decided to conduct political and social actions of great significance for El Salvador. Following are the basic objectives of these actions:

1. To contribute toward strengthening the work of political parties, labor unions, and associations by increasing their participation in the struggle for a negotiated political solution to the conflict and by neutralizing the government's pretexts to hinder both that participation and the right of these groups to express themselves freely.

2. To promote the humanization of the war.

3. To strengthen the UN secretary general's opportunities of success in his role as mediator in the negotiation process and to overcome the current deadlock caused by the Salvadoran Government's lack of flexibility. Our actions, which we began to conduct at 0000 on Friday, 16 March, are the following:

1. Total suspension of sabotage operations against public transportation.

2. Total suspension of sabotage operations against businesses.

3. Total suspension of sabotage operations against telecommunications.

4. Total suspension of attacks on government officials and civilians not linked to the Salvadoran Armed Forces' military or paramilitary organizations.

These actions are the FMLN's contribution to peace in our country. They respond to the deepest aspirations of the Salvadoran people and the political, social, and economic groups that favor a negotiated political solution to the conflict that will guarantee democracy for the entire nation.

FMLN General Command

[Signed] Commanders Salvador Sanchez Ceren, Francisco Jovel, Jorge Shafik Handal, Joaquin Villalobos, and Eduardo Sancho.

13 March 1990 [date as heard]

Rebels Attack Military Positions in Capital

PA2103042290 Paris AFP in Spanish 2309 GMT 19 Mar 90

[Text] San Salvador, 19 Mar (AFP)—Urban guerrilla commandos attacked military positions at different points of the capital in full daylight today. According to an official report, a policeman was killed, and a policeman and civilian were wounded.

At noon, a group of guerrilla members attacked the 1st Infantry Brigade post in La Rabida neighborhood, located in the northern sector of San Salvador. According to a military report, there were no casualties on either side, but first-aid stations confirmed that an unidentified woman was taken to a hospital after she was wounded when caught in the crossfire.

Almost simultaneously, the Farabundo Marti National Liberation Front (FMLN) urban commandos attacked a police group protecting a gas station in the downtown center of the capital. One of the policemen, identified as Luis Gonzalez, was killed and another policeman was wounded.

In the early morning hours of 19 March, a powerful bomb planted by urban guerrilla commandos destroyed an electric pole in a neighborhood located northwest of the Salvadoran capital. It caused a widespread blackout.

Salvadoran Air Force helicopter gunships flew over the northern zone of San Salvador following the rebel attacks.

An FMLN urban commando spokesman told a local radio station that the guerrilla actions perpetrated in the capital on Monday "are intended to oppose the attitude of Alfredo Cristiani's fascist government."

The Salvadoran guerrilla groups suspended their sabotage against the transportation and telecommunication sectors, as well as their attacks on civilian government officials and commercial enterprises, on 16 March—but they have not suspended their sabotage campaign against the electric system.

"These actions were carried out so that the government and the Armed Forces do not forget we are here and, as long as they do not give in, we will be here supporting the people," the guerrilla spokesman said to Radio Cadena YSU in San Salvador.

The Armed Forces Press Committee (Coprefa) reported on Monday that a guerrilla member and four soldiers were wounded during the clashes that took place over the last 24 hours at different points of the country.

Guatemala

Former Guerrilla Seeks Asylum at U.S. Embassy

PA2003194990 Guatemala City Teleonce Television in Spanish 0400 GMT 20 Mar 90

[Text] Secrecy continues to surround two important current events in Guatemala today.

One of the cases involves Fernando Minera Navas, a former employee of the Presidency's Administrative Controls Department, Decap. A week ago at a public hearing at the Tribunal Tower, the employee made serious accusations against government officials and institutions regarding drug trafficking.

Minera Navas is currently being held in custody at the jail located in Zone 18 in Guatemala City. The press has not been allowed to interview him, supposedly for security reasons. The National Directorate of Jails has not informed the local media about the special security measures that seem to have been adopted around Minera Navas in light of the peculiarity and seriousness of his situation.

The other case involves former guerrilla Angel Reyes Melgar, who early Saturday morning reportedly sought political asylum at the U.S. Embassy in Guatemala City. Asylum apparently was not granted.

We recall that the Army presented Reyes Melgar at a news conference in January 1989, at which time he said that he had been a member of the Revolutionary Organization of the People in Arms, ORPA, and of the Mutual Support Group. He described himself as a rebel deserter.

The U.S. Embassy has remained silent regarding Reyes Melgar's alleged attempt to seek refuge at that diplomatic mission, and the Guatemalan Government has made no comments on the case either.

EL GRAFICO Article on U.S. 'Meddling,' Part I

PA2003215790 Guatemala City EL GRAFICO in Spanish 8 Mar 90 p 8

[First part of three-part unattributed article: "U.S. Meddling in Guatemala?"]

[Text] A confrontation has occurred between U.S. Ambassador Thomas Strook and Guatemalan President Vinicio Cerezo as a result of the ambassador's remarks to the government regarding an escalation in the number of human rights violations.

At this point, we have to be sincere. Who does not know that human rights are being being violated in Guatemala? We will not mention specific cases because that would require a great deal of paper. In addition, I have mentioned specific cases elsewhere. But human rights are indeed being violated! Unfortunately, the number of such violations increases daily.

We cannot understand why our Christian Democratic president had to get angry and moreover, show it publically, when Ambassador Strook pointed the finger at him. Whether we like it or not, the Guatemalan people, including our government, of course, depend to a large extent on U.S. donations and loans. Our country has accepted the Foreign Aid Law provisions.

We know that there were talks behind the scenes between the two governments on improving the Guatemalan people's human rights situation. Nothing happened as long as these talks were kept secret and the flow of U.S. monetary aid remained steady.

So that our very dear readers can draw their own conclusions from this disagreement between Cerezo and Strook, we will now reproduce some paragraphs from the U.S. Department of State's report on human rights, released and delivered to the U.S. Congress.

"The year 1989 might pass into history as a decisive one regarding the human rights' cause throughout the world. The revolutionary changes in the GDR, Bulgaria, Czechoslovakia, and Romania left Albania as the only totalitarian regime intact in Europe at the year's end. In the Polish elections, the Solidarity group won nearly all of the deputies' benches and saw one of its members climb to the post of Prime Minister. The constitutional amendments in Hungary will lead to the installation of a government in 1990 that enjoys the consent of those it will govern.

"Free elections have been promised in the GDR, Bulgaria, Czechoslovakia, and Romania."

In another paragraph, the report says: "Throughout the world, positive trends are unmistakable. This makes setbacks stand out even more. After moving towards a society that was becoming more open, for more than a decade, the PRC changed its mind in June. It banned student protests, engaged in mass arrests, prohibited the expression of dissident views again, and committed itself once more to indoctrination and totalitarianism. Repression of all types of political opposition continued in Burma. The DPRK continued to be one of the most repressive of the totalitarian regimes."

'U.S. Meddling,' Part II

PA2003225490 Guatemala City EL GRAFICO in Spanish 9 Mar 90 p 8

[Second part of three-part unattributed article: "U.S. Meddling in Guatemala?"]

[Text] We think there should be no verbal sparring between Strook and Cerezo since the same thing that Ambassador Strook said was said by his predecessor James Michel and Commercial Attache Paul Taylor, and our president said absolutely nothing at the time, perhaps because he still had patience.

However, let us continue with more of the State Department's report to Congress:

"The areas affected by insurrection, civil disturbances, terrorism, and counterproductive measures adopted by the governments are Colombia, El Salvador, the Philippines, Guatemala, India, Northern Ireland, the Israeli-occupied territories, Peru, as well as Lebanon, which has suffered so much. Afghanistan, Angola, Cambodia, and Mozambique continue to be mired in armed conflicts."

The report continues: "For our part, the United States remains committed to the encouragement and consolidation of democracy and human rights all over the

world. We consider these goals to be among our main foreign policy challenges, and we shall actively defend them abroad because they reflect our best qualities.

"We do this because we have discovered that in countries where human rights and democratic values have become entrenched, we have found friends, not enemies. Those are the world's most stable governments, the most dynamic societies, bulwarks of liberty, respectful of their citizens' and neighbors' human rights, and those that contribute with the greatest responsibility to the welfare of the entire world.

"Human rights, as defined in Section 116 (a) of the Foreign Aid law, includes the right not to be subjected to: torture; cruel, inhumane, or degrading treatment or punishment; prolonged detention without being charged; disappearance through kidnapping or secret arrest; and other flagrant denials of the right to life, liberty, and personal security.

"The internationally recognized rights of workers, as defined in Section 502 (a), are: The workers have a right to organize and collectively negotiate. This section also prohibits all sorts of forced labor and regulates minimum wages, work hours, and job health and safety."

No beating about the bush here. Who can assure us Guatemalans that our rights have not been violated when violence, far from leaving our land, seems to be taking over everything? The truth is that nothing has been done to contain it. On the contrary, hand in hand with violations of human rights we find corruption.

U.S. 'Meddling,', Part III

PA2003232590 Guatemala City EL GRAFICO in Spanish 10 Mar 90 p 8

[Third part of three-part unattributed article: "U.S. Meddling in Guatemala?"]

[Text] We know Ambassador Strook has been summoned to the White House. He is probably going to report on human rights developments in Guatemala. The situation has caused a rift in Guatemalan-U.S. relations. The Guatemalan president may not care, but we, the rest of us Guatemalans, who are enduring the violence, the unemployment, and the hunger, are deeply concerned about those relations.

However, let us look at some other interesting passages in the report: "We try to be objective when applying these internationally recognized guidelines, but the reports unquestionably reflect the U.S. view that the right to self-determination is a fundamental political right, that the government is legitimate only when it is based on the consent of the governed and that a government established on this basis must not be used to deny life, liberty, and the pursuit of happiness."

"The United States has a great variety of ways to respond to human rights violations throughout the world. We practice traditional diplomacy, particularly with friendly countries, whenever possible and when it results in sincere diplomatic exchanges.

"When our opportunities to exert significant influence through bilateral relations are limited, we resort to public statements about our concerns, directing attention to countries where human rights are not respected. In many cases we use a combination of traditional diplomacy and public statements about U.S. concerns on the subject."

Therefore, my friends, where is the U.S. meddling in our country's internal policy? I do not see it anywhere.

In the first place, we do not pretend to be breaking new ground when we say that during the early stages of the popularly elected Christian Democratic government—only during the early months of its term—a slight change occurred in the area of human rights, but since then, we have returned to the killings, kidnappings, persecutions, rapes, massacres, repression, unemployment, etc., and no matter how much we talk nothing will change the facts.

If, whether we like it or not, we are largely dependent on the United States, we have to abide by the rules of the game in order to receive substantial aid for our economic, political, and social development. The agreements are there. They may be dormant, if you will, but they are there. Our story is like that of the man who gets lost in the dark because he refuses to use his light.

It must be recognized that the Christian Democratic government has lost all credibility because it has fallen into the trap of trying to govern with a handful of people. It should not have done so, because we, the more than 9 million Guatemalans, have been waiting for a government of Guatemalans, by Guatemalans, and for Guatemalans.

* State Budget Increase Proposed

90EM0106A Guatemala City PRENSA LIBRE in Spanish 9 Feb 90 p 2

[Text] Deputy Leonel Brolo Campos, chairman of the legislature's economic committee, has introduced a bill in congress to supplement the state budget for the fiscal year between 1 January and 31 December 1990, by the amount of 69,296,700 quetzales.

The bill introduced by Deputy Brolo, which has been sent to the legislature's finance committee for its study and recommendations, is designed to increase substantially the budgets of the Ministry of Government and the Ministry of Defense, as security and defense are essential for the common good of Guatemalan society.

Defense

For the Defense Ministry, Deputy Brolo claims that there is an 8-million quetzal deficit for food, 6 million for fuels, 6 million to cover dollar obligations, and 12 million for the reclassification of army specialists.

All of this, he said, comes to a total of an additional 32 million quetzales needed in the Defense Ministry's budget.

Ministry of Government

For the Ministry of Government, Deputy Leonel Brolo feels that a budget supplement of 36 million quetzales is needed.

Deputy Brolo believes that additional funding is required for personnel services, to increase the number of job slots for police, finance guards, prison guards, and 50 immigration inspectors. At the present time, there are 140 towns in Guatemala without any national police officers.

This expansion would also provide increased resources for nonpersonnel services, specifically to provide drinking water, telephone service, and electricity.

Funds are also being sought for materials and supplies. This includes food, prisons, the departmental jail construction program, uniforms, military materiel, machinery, and other items.

* 1989 Tourist Visits Total 435,000

90EM0106B Guatemala City DIARIO DE CENTRO AMERCIA in Spanish 6 Feb 90 p 14

[Text] Nearly half a million tourists visited Guatemala last year, an increase from the preceding year. This figure is based on statistics provided by Inguat [Guatemalan Institute of Tourism].

In 1989, a total of 435,000 tourists visited Guatemala, while in 1988 405,200 came to our country; in 1987, the number of visitors was 352,700. This means that there has been a steady increase ever since the present government took office in 1986.

Along with this rise in tourism, the airlines have increased the number of flights to Guatemala. It therefore follows that the tourism industry has become one of the state's major sources of foreign currency earnings.

The number of flights per week has increased by almost 100 percent; in 1986 there were 86 flights per week, while at the end of 1989 the number of flights per week operated by different airlines came to 164.

Guatemala's national airline, Aviateca, operates the largest number of weekly flights, with 32 per week; sharing second place are Pan American and Taca, with 21 flights per a week; then comes Lacsa of Costa Rica with 14, and Sam of Colombia, with 7 flights.

From 1986 until the present time there has been a significant increase in foreign currency earnings generated by the tourism industry. In 1986 the foreign currency earnings of the tourism industry were reported as $76.9 million; in 1987 these earnings were $102 million; in 1988, $124 million; and last year, the foreign currency generated by the tourism industry amounted to $150 million.

The Inguat statistics show that the largest number of foreign tourists come from other Central American countries, with a total in 1989 of 174,900; this is an increase from 1988, when 115,000 visitors came from Central America.

The United States and Canada were in second place, with 114,700 visitors to Guatemala; this number was also up from 1988, when a total of 57,800 tourists came from these countries.

In 1989, 71,400 European tourists visited Guatemala; in 1988, the number of European visitors was 33,200. In 1989 74,000 tourists came to Guatemala from other nations, up from 45,000 in 1988.

This increase in tourism may be attributed to several factors, but primarily to the climate of peace and tranquility which Guatemala has enjoyed since the democratic government of President Cerezo took office in 1986.

* Ecological Devastation Reviewed

90EM0106C Guatemala City EL GRAFICO in Spanish 6 Feb 90 p 65

[Article by Juan Iriarte]

[Text] In April 1989 the Congress of the Republic passed the Guatemalan Protected Areas Law, with decree No. 4-89, setting aside 39 areas to be given environmental protection in Guatemala. During the past year the activities of conservation groups grew, along with a number of national and international activities culminating in the appearance of a glimmer of hope for the future of Central America's environment.

Nevertheless, when we come back down to reality the government's actions, or at least its plans, seem to be targeted directly against the last remaining forests in Guatemala, and against the ecological system in general.

There are strong indications that the government is planning to expand a livestock breeding program in El Peten. In itself there may be nothing negative about such a program, but it quickly becomes obvious that this livestock plan is going to result in the massive destruction of forests, in order to provide space for livestock.

Reports have been received that government institutions are planning this livestock expansion in El Peten, despite the recommendations which have been made to various government organizations concerning the viability for livestock of the present soils and grazing lands in this northern department. Replanting the pastures would make the livestock operation as expensive as any other crop.

In addition, the national authorities are also promoting the construction of the Modesto Mendez-Flores Highway and other secondary roads, ignoring the fact that international cooperation organizations, at least those which would be giving the money for the road,

have required that the government provide environmental protection assurances.

These assurances would consist of guaranteeing that the last remaining forested zones of the northern department will not be plundered on a massive scale by the expansion of farmland.

This expansion is not happening as the direct result of the government's plans, but rather as a consequence of the uncontrolled economic activity in that department.

While the government maintains that appropriate environmental measures will be taken, there are no possible rational indications suggesting that such steps will indeed be forthcoming.

In the Veraplaces [Baja and Alta Verapaz] area and in the Northern Transversal Strip from Huehuetenango and Ixcan to the Cerro San Gil in Izabal, including the entire area of these departments, at this very time there is a massive influx of peasants who are cutting down the forests to plant corn. Environmental organizations have tried to reach the area, but the lack of roads have inhibited their entry. Moreover, different types of businesses are engaged in the complete clearing of forests, moving out immense quantities of wood for export.

Although the laws prohibit the export of wood in the form of tree trunks, this wood is being exported from Guatemala in that form.

Uncontrolled settlement of the land in the north, specifically in the tropical rainforest areas which may actually be in the process of extinction, is the result of the government's political overtures to the peasants, who are offered incentives or allowed to settle in the area, even though the government knows that the poor soils will only give them a few harvests.

This is happening at a time when the election campaign is heating up in Guatemala. It is well known that if the El Peten road is built, the inhabitants of El Peten and of southern Mexico are going to ask to have the road cross through the forests to the north of the 17th parallel in order to link the two territories. We all know that when that happens, the ecological death warrant of Guatemala will have been signed. The forests will be devastated.

The Dulce River is now a macabre scenario of forest destruction on a massive scale; the Izabal Lake area is similar, the mountains of Izabal have been deforested, and the last woodlands of the Sierras de las Minas, Chuacus, Merendon, and Espiritu Santo are at this very time suffering the most enormous devastation that has even been seen in the region.

The destruction of Guatemala's forests is happening at a speed that seems almost impossible, a speed not in any way comparable with what happened from 1944 until the present time.

The percentage of rainfall in Guatemala has declined significantly in different parts of the country as a consequence of this accelerated deforestation. The deforestation in the departments of Baja Verapaz and Alta Verapaz is visible on both sides of the road. Observers report that between 1985 and 1990 this deforestation has proceeded at a speed more than three or four times the pace of past years under previous governments.

Guatemala's environmental organizations have sounded repeated alarms, but without being heeded. They are now appealing to international organizations to suspend aid to the Guatemalan Government until it restores order and brings a halt to this accelerated destruction of Guatemala's forests.

On the south coast alarming destructions of the last remaining "magle" [sluice] in the canals have been reported. There construction is in progress, intended for the use and recreation of visiting government officials.

In the border area with Esquipulas the extinction of entire forests, and the drying up of Ipala Lake and of many rivers, small lakes, ponds, and wetlands have been reported.

In the central region, environmental organizations now predict the drying up of the Motagua River. This will have severe consequences for farms of the entire department which use water from this river. Moreover, the pollution of the Motagua as a result of the operation of Celgusa [Cellulose Industries of Guatemala, Inc.] threatens food production on both sides of the river.

Environmental organizations are seriously considering seeking the intervention of the Constitutional Court, of the Human Rights Commission, of the National Dialogue process, and asking the intervention of Greenpeace and of the world's major environmental organizations in order to halt the ecological genocide which this government is either perpetrating or permitting.

* Further Ecological Destruction Reviewed

90EM0106D Guatemala City EL GRAFICO in Spanish 4 Feb 90 p 61

[Article by Juan Iriarte]

[Text] Every day large barges ply the Dulce River, bound for the Caribbean, "exporting" large quantities of orchids, ferns, "xates," and all the native plants of our last tropical rain forests in Alta Verapaz, El Quiche, and Huehuetenanga, El Peten, and Izabal. The disappearance of orchids and of all these wonders of nature is massive, destructive, and devastating. Each peasant who delivers "blooming" plants to the flower and fauna traffickers is paid 0.25 centavos. This is a wide-scale depredation, but it would not be accurate to say that it is "uncontrollable," because that would mean accepting the status quo. This massive extinction of the native

species of Guatemala can be brought under control if the corrupt officials of Guatemala are called to law and order.

Along the Motagua River and in its vicinity there has been a huge surge in the traffic in wood, plants, and animals, heading for Honduras. Massive destruction of the forests is going on in Rio Hondo.

In the department of Alta Verapaz extensive areas of tropical rain forests have been literally razed to the ground with the complicity of the national authorities; and now in San Cristobal, the rainfall is not even half what it used to be. The forests that surround the reserves of la Monja Blanca and of Quetzal de Purulha in the Sierras de las Minas highlands are being destroyed on a massive scale, with the complicity of corrupt officials. On the slopes of the hills of San Gil in Izabal, hundreds of peasants are setting huge fires to tropical woods, as part of the agrarian settlement process which was initiated by officials of the present government or by their friends.

The accelerated and almost unbelievable destruction of the environment carried out by this government in only 4 years is worse than under all of Guatemala's previous governments since 1944, when these massive depredations first started, with the application of "populist" land settlement policies, policies which were pro-settlement and destructive.

Massive cutting of the last mangroves on the south coast is now in progress, in order to build tourist enclaves for vacationing officials and their friends.

In El Peten the government is planning a large-scale livestock operation, cutting down the last stand of woods that are left south of the 17th parallel. The land has already been offered to the peasants in an attempt to win votes.

In Ipala, water is being taken from the last lake left in the region. The woods are cut and then....Then comes the drought. And the drought is a living hell.

Nicaragua

Ortega Seeks Immunity for Public Officials

PA2103015090 Paris AFP in Spanish 0015 GMT 21 Mar 90

[Text] Managua, 20 Mar (AFP)—Nicaraguan President Daniel Ortega submitted a bill to the National Assembly today seeking immunity for the current public officials and to protect the outgoing president and vice president, who under the terms of the bill would also receive a pension for life.

The law would protect the current highest ranking executive branch members, National Assembly representatives, and Supreme Court of Justice and Supreme Electoral Council judges.

Ortega also proposes that a pension for life be established for former presidents and vice presidents elected after 1984, a pension that would be equivalent to the salary that these officials received while still in office.

The proposal also includes mechanisms to suspend immunity in cases where incumbents must give an account of their actions before a court.

According to the bill, which was urgently presented today to the National Assembly, the citizenry may file complaints at the National Assembly against the authorities for abuse of power.

National Assembly Approves Bill

PA2103142690 Managua Radio Sandino in Spanish 1226 GMT 21 Mar 90

[Text] After a very long session, the deputies of the National Legislative Assembly approved the immunity law that was urgently submitted to the assembly by the presidency of the Republic.

The 18-article immunity law was approved after a long debate between the Sandinist and opposition deputies. The latter questioned some paragraphs of the law. Among other things, the law grants immunity to the former president and former vice president, as well as to former ministers, deputies, and high-ranking army officers during a specified period of time.

In addition to granting immunity, the law—approved by a majority—states that the former president and the former vice president will receive a pension for life, equivalent to the salary earned by the incoming government officials.

Some Contras 'Flexible' on Demobilization Call

PA2003170890 Paris AFP in Spanish 1042 GMT 20 Mar 90

[Text] Santo Tomas, Chontales (Nicaragua), 20 Mar (AFP)—A military chief from Santo Tomas, located 140 km southeast of Managua, told AFP that contra groups operating in central Nicaragua have made contacts with the Sandinist People's Army (EPS) to disband and return to civilian life.

Without disclosing details of the talks "for the security of the contras," Captain Francisco Enriquez, chief of the 56th Infantry Brigade, said that some contras are considering that "[words indistinct] to lay down their weapons."

Enriquez said that the contras are worried about the possibilities the new government has to offer because, "for many contras with the rank of commander, it is difficult to return to work with the plow."

Enriquez explained that some contra sectors are "flexible" regarding the demobilization call made by the government of President Ortega and by the future government of Violeta de Chamorro, which is due to take office on 25 April. However, Enriquez admitted that

there are also anti-Sandinists who maintain their "warmongering positions" because "the only thing they know how to do well is bear arms."

According to official reports, there are currently 250 rebels operating in the central Chontales Department, but since the 25 February elections no fighting has been reported there.

President-elect Violeta de Chamorro said recently that the contras should behave "rationally and responsibly" to give way to real peace in Nicaragua.

While the future of the Nicaraguan Resistance (RN-contras) is discussed, the war has ceased in Chontales, where President Ortega and Cardinal Miguel Obando y Bravo were born. Several peasants said that many rebels who abandoned their land several years ago to take up arms against the Sandinists "are coming down from the mountains" to try to resettle.

Enriquez stated that at least seven persons who were identified as rebels arrived in Santo Tomas on 17 March to enjoy the traditional festivities honoring Saint Joseph. These annual festivities gather the best bull riders, as well as persons who bet on cockfights.

Enriquez said: "Let them come down and have a few drinks (of liquor) as long as they come as unarmed civilians." He reiterated the fact that the EPS considers the reconciliation call to end the war that has caused bloodshed in Nicaragua in recent years as valid.

In a tour of Santo Tomas, AFP talked to a cattleman at the festivities there who said he liked the rebels because they made it possible to hold "clean elections" in Nicaragua on 25 February. There are many cattlemen and peasants who argue that the National Opposition Union (UNO) defeated the Sandinists thanks to the rebels' struggle.

A citizen of Chontales who supports the contras said that he and other area producers are optimistic about the new government because it will convince the RN to demobilize and "we will be able to produce like before," he concluded.

That hope for the future is evident during the festivities, where rum and music cheer up contras and Sandinists alike.

FSLN's Wheelock Confirms Weapons Distribution

PA2003213490 Panama City ACAN in Spanish 1948 GMT 20 Mar 90

[Text] Managua, 20 Mar (ACAN-EFE)—Sandinist Commander Jaime Wheelock confirmed today that the Sandinist People's Army [EPS] distributed weapons to civilians after the U.S. military invasion of Panama last 20 December.

"The weapons were distributed in the wake of the invasion of Panama, but those weapons do not pose a threat to anyone because they are for the people's defense," Wheelock, one of the nine members of the Sandinist National Liberation Front (FSLN) Directorate, told newsmen.

The Sandinist leader did not specify the number of rifles that have been distributed but said that currently there are 100,000 armed persons in Nicaragua, while the Army, "which is quite small" has 80,000 men, according to Wheelock.

That figure is at odds with official figures supplied by the Defense Ministry, which has reported that the EPS has 55,000 men in the three branches of the armed forces.

The Nicaraguan opposition has charged on several occasions over the past several weeks that the EPS is distributing weapons among civilians, an action it regards as "dangerous."

Wheelock, who is also agricultural development and agrarian reform minister, made these remarks after opening the National Autonomous University of Nicaragua (UNAN) in this capital.

In his speech, the Sandinist commander said that the FSLN participated in the 25 February elections, which it lost under "unfair conditions," both because of internal as well as external reasons.

Wheelock pointed out the efforts made by the United States to "destroy, persecute, massacre, and block the Sandinist revolution."

"We participated in the elections amid economic deterioration ... and with the whole country affected by the war," the FSLN commander noted.

However, Wheelock said that the FSLN "from the viewpoint of its internal policy, also had its own faults," among which he noted "certain sectarian positions and outright impositions" on the Nicaraguan people.

"The FSLN project could not be carried out easily with a large social consensus under such adverse conditions," Wheelock said. He blamed U.S. harassment and Sandinist "inexperience" for these adverse conditions.

"People really voted for life, for tranquility, and for an end to military service, and because when they compared the relations between the FSLN and the United States with those between Violeta Barrios and the United States it was obvious that Violeta could achieve with the United States what we could not," he added.

Violeta Barrios de Chamorro was the winning presidential candidate in the recent 25 February elections at the head of the National Opposition Union [UNO] ticket. She will assume the Presidency on 25 April.

Wheelock stressed that the "contras," who fought the Sandinists for eight years with U.S. support, must be demobilized and disarmed before 25 April.

"The contras have refused to demobilze and are waiting for 25 April to gather the human and material resources they need to continue attacking the nation," the Sandinist commander added.

If this happens, Wheelock said, "we will be forced to pick up our weapons."

President Ortega Discusses Contras, Aid

PA2003143290 Managua BARRICADA in Spanish 17 Mar 90 pp 1, 5

[Report by Monica Zalaquett]

[Text] Rio de Janeiro—President Daniel Ortega has said that at no time did he and U.S. Vice President Dan Quayle discuss Nicaraguan domestic affairs, the existence of the Armed Forces, or the transfer of power, as has been reported by several U.S. news agencies.

In a news conference held on the flight from Brasilia to Rio de Janeiro, Ortega warned of the dangerous stand of the U.S. rightists who want to continue supporting the counterrevolutionaries under the pretext of not abandoning them.

Ortega said: "They launched a war to destroy the revolution. They also think that this war does not conclude with Mrs. Chamorro's victory. At best, they do not think she represents the interests of the counterrevolution, and they want to take over power to put an end to the government, the Army, and democracy in Nicaragua."

He also said: "It is urgent that the United States cut the humanitarian aid to the counterrevolution." On this point, he agreed with the Latin American presidents and Spanish Prime Minister Felipe Gonzalez, all of whom he met with during his tour.

Yesterday, Brazilian President Fernando Collor de Mello privately expressed to Ortega his full support for nonintervention in Nicaragua, a stand he had already expressed as president-elect during his recent visit to the United States.

"If the counterrevolutionaries do not disarm, the transfer of power will not be normal and serious incidents could take place," Ortega pointed out. He added that, although the government must guarantee security in the country during the change of government, "I cannot be held accountable for the great economic, social, and political tension that the presence of the contras represents for the Nicaraguan people."

He said further: "We are concerned over the fact that, although the U.S. President advocated peace in his speech, what he said is belied in practice by the continued financing of the mercenaries." He recalled the promise of an eventual incorporation of Spanish and Venezuelan troops, "Blue Helmets," into the process to disband the counterrevolutionaries. He added, however, that such forces would support the Honduran Army in the disarmament plan.

He emphasized that there is complete security for the counterrevolutionaries who surrender their arms, just as there has existed security for those who have been released or have accepted amnesty and returned to their original places of residence.

He said that the international observers could also ensure security during the demobilization.

Ortega said that Quayle listened to these proposals attentively and said that President Bush wants to include in the aid for Nicaragua an additional allocation to resettle the counterrevolutionaries.

"I told him that this would give the impression that the United States is giving more aid to the counterrevolutionaries, and that it would be better to give the money to the CIAV [International Commission for Support and Verification] to help support the demobilization process," Ortega said in conclusion.

Vice President-Elect Godoy Interviewed

PA2003221290 Managua Radio Catolica in Spanish 1800 GMT 16 Mar 90

[Interview with Vice President-elect Virgilio Godoy Reyes by unidentified reporter in Managua; date not given—recorded]

[Text] [Godoy] The truth is that it is not easy to work under the current conditions. It is even more difficult to constantly give details of our progress. There is certainly much to be done, and we are doing much. We face critical situations; for example, we must guarantee supplies after 25 April. This not only refers to what we normally call food supplies; it also means supplies for the agricultural sector and supplies to keep the economy operating.

Everyone should know by now that the current oil reserves are only enough for the month of April, and if the new government does not immediately adopt the necessary measures, this could lead to paralysis and complete chaos immediately after the new government is sworn in. On the one hand, most, if not all, the countries that have pledged to supply some quotas—for instance, Cuba and several East European nations—have apparently said they will supply nothing more because the government to which they sent aid has changed. On the other hand, the government has cancelled contracts it had with the U.S. company Exxon to provide important supplies of oil, and this was done without consulting the newly elected authorities of the country. I believe this was all done in bad faith or with premeditation to create chaos.

We know that thousands of tons of fertilizer are being re-exported; this will create problems because the new agricultural cycle will begin in May. We also know that food that was already stored here in the country's (?warehouses) is being re-exported; this could result in a food

shortage in some areas. This could also be considered an attempt to create the conditions for disturbances.

We are working quietly, silently, and without the government's support. The government is creating these disorders and disturbances so that after 25 April we will have bottlenecks. This will lead to chaotic problems in the country.

On the other hand, there is a climate of uncertainty in the country because of the distribution of weapons by soldiers and government officials. Colonel Salvatierra of the 6th Region and other officers have admitted to this. Consequently, this is cause for concern, because there is no reason why 40,000 pistols and rifles have been handed out to private individuals. Of course, the government is not going to be held responsible at the moment that these persons begin to commit aggression against unarmed people. There are problems of agitation by the official media to help create conditions that lead to disorder. We must look at all of this, just as we attend to other conditions that deal with the transfer of power from one government to the next.

Concerning the transfer of command, it does not simply involve President-elect Violeta Barrios de Chamorro and her cabinet appearing where the presidential sash will be passed on. It is necessary for the incoming government to be duly informed and appraised of what the general state of the nation is, and what is happening in the state institutions, autonomous organizations, state enterprises, municipalities, and in relations between the central government and the local organizations of the country. All of this will permit a peaceful and orderly transition of power. Thus far, the government has not taken any steps in that direction by authorizing the groups that are being formed to become familiar with the situation of each state organization, of what is going to be turned over, or how it is going to be turned over, so that the transfer will be peaceful.

The transfer of power is a public ceremony, but the administrative turnover of the institutions does not take place in the grandstands. It occurs in the same institutions with the persons designated for this purpose. Thus, we face cases such as this. The FSLN has ordered all its ambassadors to return to the country before 25 April. It has virtually ordered the beheading of the entire foreign service. This prevents the new government from receiving charges, confirming whether they are in order, and appointing substitutes in an orderly and timely manner.

There are several phases in this period of transition. There is a tiresome phase of excessive work that must be taken care of. There is the phase of discussion of the transition of power and at the same time, all the manipulations and maneuvers that obstruct the exercise of the new government at the outset. This sometimes prevents us from having more fluid communication and more timely information, because we get so engrossed and involved in our new responsibilities. Almost from sunup to midnight we are working, seeking solutions and alternatives to each of the problems that exist, and continuing talks for the peaceful and orderly transition of power.

[Reporter] Dr. Godoy, it is said that the National Opposition Union has been much delayed in appointing the cabinet. It was taken for granted that by this time the new ministers would be talking to the persons they will replace. What has really happened in this regard?

[Godoy] What has happened is that this will be taken care of when Dona Violeta returns. She personally is the one who must sign those appointments. There are profiles, criteria, and also a mass of curricula awaiting her examination and her opinion. This will permit the selection of those with the best possibilities of being appointed to the cabinet. I would say that the cabinet will be announced by late March or early April at the latest. This will permit the country to regain order and perhaps even eliminate some factors of insecurity. Now, for instance, it is mentioned that the Cordoba is rapidly losing value, not on a daily basis, but on an hourly basis. Perhaps this is due to the insecurity experienced by some members of the former regime, because it will become a former regime. They are seeking ways to guarantee their immediate future. Someone in the government, I do not know if it was Ortega himself, said the other day that the first week after 25 February, about $10 million had gone out of the country. What could have been the origin of that $10 million? As far as we know, the Nicaraguans who are abroad want to return. They want to return en masse. It means that this money must have belonged to officials of the Sandinist government, who are decapitalizing the country, buying the few dollars available on the local market, and possibly sending their own resources abroad. This cannot be interpreted any other way.

Probably, once the cabinet is announced publicly, it will eliminate fears even among those persons, because they will see that deep down the cabinet will reflect the two fundamental views or two fundamental goals for action by the new government—to promote the national process of reconciliation and to begin the tasks of reconstructing the country. Therefore, knowing who the cabinet members be will help to alleviate tension among them.

[Reporter] What can you say concerning the UNO existence? Is it true that it concludes with the electoral period?

[Godoy] There are politicians of one of the UNO parties who, owing to their own perception of the local phenomenon, believe that UNO was only an alliance to create an electoral machinery to participate in elections and that, afterward, it would come to an end. This is a very narrow and formal vision of what UNO and what the alliance are. The alliance was formed not only to participate in the elections, but to govern. That is why the alliance created and achieved unanimity around a government platform that will be developed throughout the term that begins after 25 April. Therefore, to say that UNO came

to an end on 25 February is an erroneous judgment in my opinion, although the writing may have said that UNO was created to appoint candidates and fulfill requisites demanded by the current electoral law. In my opinion, it is all to the contrary. If there is anything that makes sense and has validity now, it is an alliance which, having achieved victory in the elections, can offer the new government a basis of solid and lasting political support. In this way the government tasks can be carried out more fluidly, securely, and efficiently. Therefore, I say that it does not involve bringing UNO to an end or stating that it has fulfilled its objective. On the contrary, it must be strengthened. Recently, the national political council approved a resolution ordering the departments and muncipalities to restructure the local and department committees of the municipalities and to prepare them to assume their new roles after 25 April.

'Final Destination' of Contra Arms 'Uncertain'

PA2003164190 Panama City ACAN in Spanish 1308 GMT 20 Mar 90

[Report by Manuel Torres]

[Text] Tegucigalpa, 20 Mar (ACAN-EFE)—The border between Honduras and Nicaragua, where the "contras" have sought refuge in the past eight years, houses an arsenal that is, for the time being, in rebels' hands. However, its final destination is uncertain.

The armament includes pistols of various calibers; automatic rifles such as the "AK-47," "FAL," and "M-16;" "RPG" rocket launchers; mortars; machine guns; and even U.S.-made "Redeye" surface-to-air missiles.

The actual inventory of the weapons owned by the "contras" is unknown even to their suppliers. Many of the weapons have been lost in combat, seized, or discarded when damaged, or have simply disappeared.

Although there is currently a consensus regarding the need to demobilize the 12,000 "contras," there has been no investigation of the weapons or a decision as to who will receive them. Among the possible recipients are the International Support and Verification Commission (CIAV), the UN Observer Group in Central America (ONUCA), the incoming Chamorro government, the Honduran Army, and the Sandinist army.

There is even a group within the "contras" that wants to eventually return the weapons to the United States, arguing that "if they gave them to us, they should take them back."

Meanwhile, Aristides Sanchez, member of the "contra" political-military commission, said in Tegucigalpa: "We will surrender our weapons only to Mrs. Chamorro in Nicaragua and not to any foreigner." However, Sanchez' opinion is apparently not the definitive decision of the "contras," who hold the weapons but do not control their final destination.

Finding a solution to this dilemma is very important because the size of the accumulated arsenal is enough to supply a 12,000-member rebel army, with ammunition included.

The so-called Nicaraguan Resistance received most of its weapons from Washington and alternate sources, and some of them secretly from 1982 to 1988, when the U.S. Senate cut off its military assistance.

Although the anti-Sandinist war was active during nearly all of the 1980's, different observers agree that the "contras" received more weapons than they needed. In Yamales, the "contra" headquarters, ACAN-EFE was able to confirm that many combatants carry weapons that look new, and they offer to sell their older ones to civilians who visit the camps.

Because the prices offered for weapons during times of defeat are not in keeping with their original value, the Honduran-Nicaraguan border is especially attractive to weapons traffickers right now.

Meanwhile, Honduran civilians are constantly reporting that "contra" military units are burying part of their arsenals in "caches" in isolated areas. As a result, Honduran opposition groups fear that when the final demobilization comes, the "contras" will surrender only part of their weapons, while the whereabouts of the rest will remain unknown.

Article Reviews Security, Army Issues, Part II

PA2003230390 Managua LA PRENSA in Spanish 14 Mar 90 p 2

[Part two of five-part article by Julio Sergio Ramirez: "Farewell to Arms: Control of the Security Apparatus"]

[Text] Previewing possible difficulties that the new government headed by Violeta de Chamorro may face in having effective control over the security apparatus, it is necessary to mention how important it is to the authority of the Executive Branch to have control over the country's armed forces.

We must note that some analysts—and probably quite a few Sandinists—believe that it would be advisable to establish a system of shared responsibility between the Executive Branch and the FSLN [Sandinist National Liberation Front] for control of the army and police as a means to guarantee a transition to democracy, as in their opinion the FSLN will not be willing to turn over control of the armed forces to the UNO [National Opposition Union] government.

In almost every country in the world, security forces are under the control of the Executive Branch, within the limitations established by the law. The reason for this is that the monopoly on the State's organized coercive force is the last recourse for effectively exercising authority in a given territory. Under special conditions,

that last recourse is the only way to exercise that authority, and should it not be available, the Executive Branch would be impotent.

For example, if during last year's street riots in Caracas the army had not obeyed the orders given by President Carlos Andres Perez to restore public order by force, the government headed by Perez would have fallen, or would have been on the verge of collapse.

Under the current circumstances in Nicaragua—where there is also a very acute conflict between the new government and the FSLN—it will frequently be necessary to exercise presidential authority with the firm support of the security forces, within the framework of the law. Otherwise, the possibilities of chaos, civil disorder, political instability, and violence over the next few years will be very high.

The main means to subordinate armed institutions to civilian power is by exercising the president's authority to appoint and remove top army and police officers. If the army and police commanders are not subordinated to President Chamorro, her authority would be very weak, as she could not count on the state's organized forces to exercise her authority within legal limits.

Therefore, for the Executive Branch to exercise its authority, it will be necessary for it to keep its power to select army and police commanders within the procedures established by current laws. This is stipulated in the Constitution and does not require the FSLN's formal approval. It means, for example, that the president can appoint and remove the defense and interior ministers at her discretion, as established in articles 144 and 140 of the current Constitution.

Hence, it is absolutely necessary for the new government to achieve real control over the army and police and to be able to exercise at its discretion the power to select top commanders within the framework of current laws. Based on these conclusions, in our next article we will examine the conditions under which the security apparatus could be delivered to the new government.

Part III

PA2103043590 Managua LA PRENSA in Spanish 15 Mar 90 p 2

[Part three of five-part article by Julio Sergio Ramirez: "Farewell to Arms: Presumptions and Conditions"]

[Text] In the previous article, we concluded that it is necessary for the new government to have true control over the security organizations. This makes us wonder: Why or under what conditions would the FSLN [Sandinist National Liberation Front] be willing to turn over—as the constitution it drafted and approved in 1987 specifies—the army and the police to the new government as of 25 April?

In this area, it is very difficult to venture successfully, but some proposals might be useful for understanding the relevant issues. It is important to bear in mind that one of the key conditions for a peaceful turnover of the state security organizations was already guaranteed when the new government said that it was willing to offer a general amnesty at the beginning of its administration. (The specific nature of amnesty will surely be the topic of a thorough analysis and debate within the new government. There are some issues that will probably be included, particularly those that involve returning state property that was inappropriately confiscated for private use by public officials or FSLN officials.)

One should begin from the presumption that there are probably diverse opinions within the FSLN on how to turn over the security organizations. Some would be more willing than others to do it, particularly those who support the peaceful evolution toward a competitive regime. If it were not for this latter group, which we could call a "democratizing group," there would not have been just, honest, and peaceful elections.

The second presumption refers to the democratizing group probably having—up to now—full control within the FSLN. This is based on both public statements by President Ortega and his behavior following the announcement of the elections results, as well as a peaceful and clean evolution of the electoral and post-electoral period.

The third presumption would be that the FSLN will maintain its cohesion, at least in the next few months, despite the internal conflicts. This forecast is based on the capacity shown in the past to maintain its unity in the face of tremendous difficulties and challenges. Undoubtedly, the electoral defeat tends to place great pressure on this cohesion. However, the debate and internal consensus that has been repeated successfully for several years and the clear threats of the political survival of the FSLN that would arise from internal division lead one to forecast that this cohesion will be maintained, at least for the time being.

The fourth presumption contends that the FSLN is going through a crucial period in its history: There is the possibility of insisting on a hegemonic model or of becoming a democratic party. The first option would be the result of wanting to stay in power at all costs, one way or another, while demanding government functions in the security organizations. The second, which is the one President Ortega has initiated by admitting defeat at the polls, is that of continuing to recognize the victory of the opposition and respecting the right (and the duty) that corresponds to the new government to direct the institutions controlling security and public order.

The fifth presumption refers to the FSLN having achieved, in a very short period of time, a notable advance in the process of adjusting to the conditions and consequences of the democratic political competition. This is probably due to the FSLN now carrying out a revision or deep reinterpreration of its vision of Nicaraguan society and its role in it, having been the center of

a hegemonistic regime that arose from being at the vanguard of an uprising of the people, should it take a step or not of becoming the first government in the history of the country to turn power over to its political adversary, thus abiding by the decision of the voters. This is something like becoming a political party that at the end of its government work (where it was always the leader) will open the doors to the democratization of the country.

The last presumption is that the FSLN's process of change and democratization is still too new, because it began only a few weeks ago; however, it has accelerated considerably since the electoral defeat. We should not be too severe with the FSLN leaders as they learn from their mistakes, because that is the best way for all of us to learn. The FSLN has the opportunity to turn its electoral defeat and loss of government control into the triumph of democracy, and thus, into its own triumph; a triumph that is more important than the one it attained on 19 July 1979 when it attained power for itself; now, it could bring the beginning of well-being for all.

In sum, although there are conflicting opinions within the FSLN concerning the surrender of the security apparatus, the democratization group seems to be prevailing. It can be expected that the FSLN will maintain internal unity at a time when it will be defining its political role, which seems to be initially moving toward democratization, although it is still exposed to unfavorable changes, because of the novelty of the process reform.

Given this situation, what demands could the FSLN possibly make to surrender the security apparatus? The list could be a lengthy one, but based on the previous premises, we could change the questions to the following: What demands would the FSLN make to surrender the security apparatus to the new government should the democratization group manage to prevail within the FSLN and seek to strengthen and stabilize the FSLN's democratization, incoming government, and Nicaraguan society as a whole?

Based on the already listed presumptions, the FSLN demands could be: The elimination of hegemonic rules, regulations, and procedures established in the constitution (this way the new government would not have any legal tool to install a new hegemonic administration, if it were to decide in favor of that); a reduction in the size and budget of the military and police forces (since the current size will become unnecessary once the country is pacified); and the new government's strict abidance by the law. This would guarantee, as soon as hegemonic regulations are eliminated, respect for everyone's rights and liberty.

FSLN delivery of control over the security apparatus to the new government on 25 April does not guarantee that the Armed Forces will necessarily be loyal throughout the period of the administration. A new article will briefly touch on this issue and emphasize the need for the government and the FSLN to reach an agreement.

Panama

Arrest of Newspaper Director, Others Ordered

PA2003132390 Paris AFP in Spanish 0820 GMT 20 Mar 90

[Text] Panama City, 19 Mar (AFP)—On Monday, the Panamanian Attorney General's Office ordered the immediate arrest of four former civilian and military officials linked to the overthrown regime of General Manuel Antonio Noriega, including Tomas Altamirano Duque, director of the influential newspaper LA ESTRELLA DE PANAMA.

In a note to the Judicial Technical Police, to which AFP gained access, Attorney General Rogelio Cruz ordered the arrests to prevent possible political asylums.

Cruz also ordered the arrest of Rodolfo Chiari, former government minister; Colonel Guillermo Wong, former head of State Security (G-2); and Jose Guillermo Wong, former director of the National Institute of Telecommunications (INTEL).

Altamirano is accused of alleged irregularities during his time as public works and housing minister from 1976 to 1980, while private individuals accuse him of slander and calumny. He is a member of the opposition and former ruling Democratic Revolutionary Party (PRD) and was proposed as Panama Canal administrator in 1989. However, the United States rejected his appointment.

LA ESTRELLA DE PANAMA was founded in 1853 and is one of the three oldest newspapers in Latin America.

PRD President Carlos Duque, who charged last week that "a persecution as never witnessed before" exists in this country, demanded political amnesty.

Ecuador Normalizes Relations; Envoy To Return

PA2003140690 Panama City Circuito RPC Television in Spanish 0000 GMT 20 Mar 90

[Text] Ecuador decided today to normalize diplomatic relations with Panama. Ambassador Pio Osvaldo Cuevas will return to the country soon.

Legislative Assembly Receives Bomb Threat

PA2003190490 Panama City ACAN in Spanish 1733 GMT 20 Mar 90

[Text] Panama City, 20 Mar (ACAN-EFE)—Parliament members and Panamanian employees working at the various Legislative Assembly offices today were forced to stop work because of a bomb threat.

Through an anonymous telephone call, a person said that an explosive device had been placed in the Assembly building. In light of this, the building was evacuated.

Experts in explosives are currently searching the building with special equipment and trained dogs, but so far have found nothing.

It is not known if the Legislative Assembly will be able to hold its plenary session this afternoon to discuss the national budget for 1990.

Since the U.S. invasion in December, anonymous calls are received in Panama almost daily, warning about bombs which have not been found and have not exploded.

Ford Presents Draft Budget to Assembly

PA2003193290 Panama City Radio KW Continente in Spanish 1233 GMT 20 Mar 90

[Statement by Guillermo Ford, second vice president and minister of planning and economic policy, upon presentation of the draft budget to the Legislative Assembly in Panama City on 19 March—recorded]

[Text] The draft budget that the executive branch is presenting to the honorable Legislative Assembly today is the first one. Therefore, it is the most important message sent by this government to the local and international community regarding the seriousness of the Panamanian public administration.

We will have to make many sacrifices for our country's economic recovery. This draft budget reflects some of those sacrifices. It was necessary to adapt our expenses to the reasonable income levels we can expect to obtain during the current fiscal year while bearing in mind our country's economic crisis.

Many necessary expenses have not been met by this draft budget. We have frozen all the government vacancies existing up to 19 December 1989. We have also demanded a maximum rationalization of payroll and other operational expenses in all centralized, decentralized, and state enterprises.

We will be unable to grant wage increases. Creditors who are waiting for the fair and due payment of the government debts will not be taken care of. The government cannot pay the 13th month bonus. Therefore, it will continue to be suspended this year. Autonomous institutions and state enterprises will have to transfer significant quotas and cash surpluses to meet basic social needs.

All these sacrifices, however, are minor compared to the situation that was fast approaching if the previous regime had continued in power. A situation of absolute chaos was racing towards us, and that chaos was meant to destroy the very foundations of civilized coexistence among Panamanians.

It is not enough, however, to know that we have removed the specter of that dark night. We must promote our country's economic recovery and improve the public sector's financial situation. The draft budget we are submitting for your consideration today is a gigantic step in that direction. We can point out the following:

1. For the first time in three years, the country will have its own budget for the corresponding fiscal year.

2. The draft budget is fiscally responsible. It is based on reasonable and serious estimates of the revenues the government will receive, without including any resources such as loans and donations whose corresponding effective negotiations have not yet been agreed upon or already contracted. Of the U.S. economic aid package, the draft budget includes only the resources that have already been negotiated.

3. The draft budget is socially and economically realistic. The education and health sectors have received privileged treatment in this draft budget. Military expenses are eliminated and replaced by civil police expenses. This leads us to a net saving of 63 million balboas.

In addition, the draft budget does not include any kind of tax increase or public service tariff increase, because such increases would harm the country's economic recovery.

4. The draft budget is balanced without affecting the 25,000 public employees whom the previous regime was planning to dismiss. [applause] There are only some moderate adjustments in the payroll, and only those who do not work will be dismissed, that is, those who are also known as sinecures or those whose criminal behavior in the previous regime has been established. [applause]

I want to avail myself of this opportunity to emphasize three important facts:

1. Between 1988 and 1989, the previous regime dismissed a total of 10,000 public employees, but the government never admitted this in public.

2. The previous regime suspended payment of the 13th month bonus.

3. The 1990 budget prepared by the previous regime only called for paying salaries for 11 months to public employees, and yet it was still unbalanced. Public employees were to continue receiving payment in postdated checks and promissory notes. This time, the budget includes payment in cash, as we have been doing as of 20 December 1989. [applause]

To conclude, we want to stress that honesty in handling our resources is another change in the administration of finances. The first condition for normalizing the administration of public finances is the example set at the highest levels, but this is not enough. Society is expecting from its new judiciary system not only protection from injustice, but also punishment of criminals, regardless of their political, social, or economic conditions. He who steals must go to jail. [applause] Likewise, it is necessary to put an end to the system of privileges and favoritism.

We conclude by saying that our ministry is at the disposal of this honorable assembly for the analysis and discussion of the draft budget that we are presenting today for your consideration. Thank you. [applause]

Brazil

President Collor Discusses New Economic Program

PY1903170090 Rio de Janeiro Rede Globo Television in Portuguese 0100 GMT 19 Mar 90

[Interview with President Fernando Collor de Mello by reporters Paulo Henrique Amorim and Joelmir Beting at Rede Globo studios in Brasilia—live]

[Text] [Amorim] My first question: Did you have any thoughts of amending this very harsh program before it was announced? Can you explain why you chose to announce it now?

[Collor] First I want to thank the Brazilian people for their accurate understanding of the meaning and purpose of the position taken by the democratically and popularly elected government that took power on 15 March. The latest surveys clearly demonstrate that the great majority of Brazilian people support the economic program that we decided to implement, beginning on 16 March, to rigorously fulfill the commitment I made to the Brazilian people during the electoral campaign.

We cannot err. I have said I felt as if I were living in a jungle holding a rifle with a single bullet. Then suddenly a tiger appears, the tiger of inflation. We have to make sure we hit the target, kill the tiger, eliminate inflation, with one bullet. We do not have another alternative, another chance, but to make the plan succeed.

For the plan to succeed, it must have the support you are showing today—your confidence that the country will again return to the path to economic growth. We will bring about social justice, we will increase the value of workers' salaries, and naturally, as I promised, we will make sure that the cost of the adjustments does not fall on the shoulders of Brazilian workers. We all know that workers are not bearing the burden of this plan. They are absolutely excluded from these measures, in the sense that they are not paying for them. Only those who have a lot or more than enough are paying for it.

We will witness something unheard of as of tomorrow: Supermarkets will begin marking down prices. This will be the first clear result of the plan. This has never happened before. School tuitions will come down as of 21 March. This will be proof that the plan is answering everyone's expectations. I trust that we will be able to eliminate inflation and restore the nation's trust in a few months.

Regarding the question of amendments. We have found it necessary to issue a new provisional measure, which will be published tomorrow in the official gazette. This new measure is intended to prevent the adversaries of society, the adversaries of the mass of poor people, those whom the plan compels to invest in society—it is intended to prevent them from filing any lawsuits to block the implementation of the plan. This is not a government plan, but your plan. It belongs to you who are listening at home, you who feel that your salaries have lost purchasing power, you who cannot buy enough food for your families, you who are mad about the daily adjustments and the inflation rate of 90 percent a month, 0.5 percent each working hour. The people who do not agree are those who are being compelled to invest in the plan. Those people are proposing to file petitions before the courts to prevent the implementation of the plan. I repeat, the plan belongs to all. It was drawn up by a government legitimately chosen by a majority of the Brazilian population.

The plan cannot be withdrawn, the plan works as a unit, and cannot be amended without making it inefficient. The new measure will prevent court petitions from having any practical effect on the plan. I have no doubt that if we can maintain the economic program intact, with your approval and solidarity and with the cooperation of Congress, in another 30-40 days we will be out on the street celebrating its success.

[Amorim] Mr. President, are you not thinking of making any sort of change to avoid, let's say, some sort of injustice? For instance, there is the possibility that some enterprises might not be able to pay salaries because the limits on the overnight market do not allow for payments of salaries, and that wage earners will then not be able to receive their money. Is it not possible to make this change?

[Collor] Look at this. This program fundamentally seeks to establish or reestablish justice. It is extremely just, absolutely just, because the cost of this adjustment—as I have repeatedly promised—is not being charged to the worker or the wage earner. Naturally, mechanisms will have to be created, without altering the guidelines or mainstays of the plan. These mechanisms will regulate some points that have not perhaps been made very clear, so that those businessmen who have access to the money invested in the overnight market will be able to use it to make salary payments if they wish to do so. At no time will our plan leave the businessman, the small businessman and medium-sized businessman, without money for meeting his payroll at the end of the month. This is being provided for once again, and, naturally, the banks, as they open their doors tomorrow, will have received instructions from the Central Bank so they can guide the businessmen and merchants who come with this question: I have to meet my payroll tomorrow, and I have to withdraw the money from my investments in the overnight market; what shall I do? The bank manager with whom this businessman deals will explain to him the instructions he received from the Central Bank.

[Amorim] Are you in a position to announce what those measures to help meet the payroll will be?

[Collor] The release is automatic for a payroll of up to 500,000 cruzados, 500,000 cruzeiros today. So a payroll up to 500,000 cruzeiros will not require any red tape. The businessman simply goes to the bank, and the bank enters into the cruzeiros account the money to meet the payroll. From 500,000 to 3 million cruzados, the payroll in cruzeiros will have a line of credit, with a monetary

correction plus seven percent interest rate, available for the businessmen. For a payroll above 3 million, the market interest rate will be charged. For this, the bank managers will be in the position tomorrow to give explanations based on Central Bank instructions to anyone who is interested.

[Beting] The limitation on withdrawals for payrolls was adopted today. A decision of this type....

[Collor, interrupting] It is not the decision; the decision was already made that at no time would the payment of salaries be jeopardized. We had never considered that at all. But since the plan consists of a large package of measures, with each containing several articles, it was necessary to make these specific regulations case by case. Naturally, these specifications are being made as we review each of these points and verify what needs to be made more understandable for the people. That is why this is not a new decision; it is an elaboration of a decision that was made from the start by the government.

[Beting] Mr. President, legal experts maintain that the blocking of bank accounts, including savings accounts, is unconstitutional, and that it is actually a compulsory loan to the government. Consequently, they believe that Congress will not approve it, and if Congress approves it, the judicial branch will kill it.

[Collor] Look, Deputy Bernardo Cabral is the Justice Minister of the government of the new Brazil. The entire Brazilian nation is familiar with the professional skills, integrity, honesty, and dignity with which Cabral has discharged all his duties. He will undoubtedly continue to exercise his talents to fulfill his duties.

Deputy Bernardo Cabral was the coordinator of the work on our new Constitution, the charter that today guides our life. No one else is as thoroughly familiar with the Constitution as Deputy Bernardo Cabral, because he was the coordinator, he drew up the Constitution—obviously with the help of several colleagues—but he was the general coordinator of the work on the 1988 Brazilian Constitution.

Consequently, in addition to being familiar with the letter of the Constitution, he is familiar with the spirit of the charter, the spirit with which the Constitution was drawn up.

By no means would I have tried to enforce measures without the full approval of Justice Minister Deputy Bernardo Cabral. I trust my Justice Minister, although I do not disregard the divergent legal positions and opinions that have been voiced. I respect them because everyone has the right to say what he thinks. However, I have adopted the opinion of my Justice Minister. As I told you and as you all know, Deputy Cabral not only drew up the Constitution but he is imbued with the spirit of the Constitution.

[Amorim] Mr. President, haven't you been too inflexible with savings account holders? For investors on the overnight market, you set a limit of 25,000 cruzados, plus 20 percent of the total investment. For those who are smugglers, lottery operators, [words indistinct], you have enforced a relatively light punishment of 25 percent in order to prevent the retention of money. For savings accounts, however, you set a 50,000-cruzado ceiling. Since at the beginning of your remarks you mentioned the possibility of reconsidering some points of your program, don't you think that the 50,000-cruzado ceiling should be modified? Profiteers are not affected by this ceiling. There are many people like widows and retired workers who are not profiteers. Won't you introduce modifications at that level?

[Collor] Look, people wonder why the ceiling has been set at 50,000 cruzados. Why not 60, 40, 30, or 80,000 cruzados? There are reasons for the 50,000-cruzado ceiling. It was not arbitrarily set. In our investigation, we arrived at the following conclusions: The balance in 90 percent—please recall this figure—90 percent of savings accounts is 50,000 or less new cruzados. Only 10 percent of savings accounts have balances exceeding 50,000 new cruzados.

That was the reason for our decision. Why did we have to touch savings accounts? Because, as everyone should remember, during the period prior to our inauguration, major overnight market speculators transferred their funds to savings accounts, because they believed that this action would protect them from the government measures, which they thought would affect overnight market speculators.

Major speculators thus believed that they were taking a smart step. But we were following their movements, and we could not leave them unaffected by these measures. They transferred their funds to savings accounts, but they wanted to return them later to the overnight market, because they want to speculate and have immediate liquidity. They planned to return to the overnight market later. They wanted, so to speak, to weather the storm, right? But we caught them.

Consequently, 90 percent of savings account holders are absolutely protected. That is the objective of our program. The program respects our commitment to 90 percent of the population. This sector was totally forgotten and had lost hope; inflation was destroying their salaries. Housewives were indignant at the hour-by-hour markups at the supermarkets.

I clearly said I was elected by the majority of the people and that I was going to rule with the majority. I have always said that. I have also said that I was going to declare war on inflation as of 15 March, that I was going to place the country in a state of war against inflation. All wars demand a war effort. To face this situation I am calling on the majority of the population, who without a doubt will benefit from the program, to try to convince those who still doubt that this plan is the one best suited to our conditions. It needs the approval of the rest of society, of those who still oppose it. Each person should contact his deputy or senator to tell him that it is essential that they also participate in the program.

I understand the support is there. We are receiving very positive signals from different leaders and parties in Congress. These are people with a spirit of public service who understand that we must be united and be above partisan issues at this time. It is now or never. When I announced the measures, I said that we have to succeed, or succeed. We do not have an alternative. We need to be aware that we must implement this program. We are already seeing some short-term results. We need to eliminate inflation, reduce prices, increase the value of salaries, and organize the economy so it can grow again.

[Amorim] Mr. President, Labor Minister Antonio Magri mentioned the possibility that you might review the 50,000-cruzeiro ceiling in the case of pensioners, in answer to a suggestion by labor leader Luis Antonio Medeiros.

[Collor] That is true. I met this morning with Minister Magri, Minister Cardoso, and labor leader Madeiros at the Planalto Palace. We talked about these issues. There are very few pensioners with savings accounts of more than 50,000 cruzeiros. As pensioners they are, in fact, receiving low pensions. I have already instructed Minister Cardoso, in the presence of Minister Magri and Luis Antonio Medeiros, to look into the matter quickly. Minister Cardoso has already reviewed the situation, and before I came to the studio, she gave me a report saying that the issue can very possibly be settled by tomorrow without affecting the overall program. It is essential not to change the structure of the program. The program covers the possibility of a recession in detail, but I would rather speak about that later. This plan could cause a recession, but not necessarily. This plan establishes a monetary policy that the Central Bank can implement. The Central Bank has control of our currency for the first time in many years. This is essential. The Central Bank is the monetary agent of any economy. Its work at this time is to reduce liquidity. The existing liquidity is still a barrier. We could have a recession if we do not control the amount of money in circulation.

But we have the faucets, and we will open the faucets as needed for economic activities to be maintained at a level above the recession that some are saying will occur. No, there will be no recession. Even some businessmen were saying the other day—I read this in an interview—that there is no reason for dismissals, because the program is correct. With the program being implemented by those who are handling it, the inflation rate in 60 days will be practically zero. And we will resume activities. So why dismiss people now, if it will be more expensive due to the severance money we will have to pay, only to rehire later?

[Beting] Most economists think that the diagnosis is correct and the remedy appropriate, but that the dose is excessive. The government has just removed from circulation savings in the amount of $115 billion—equivalent to the foreign debt. Don't you believe that this will indeed cause recession and unemployment?

[Collor] No, it will not cause recession because we have these control mechanisms. If we blocked off these resources and did not have provisions to release them, recession would undoubtedly be the result. There would certainly be recession in that case.

[Beting] Will those resources be reinjected into the economy?

[Collor] They will be reinjected through the auctions that will be held. Auctions will be held periodically to convert cruzados into cruzeiros as a way to irrigate the economy, and also through the privatization certificates. These are extremely flexible and powerful mechanisms that will keep the economy going, irrigating it as necessary to maintain the program. Here is the question: We cannot inject either too much nor too little. If we inject too little, we will have a recessionary result; if we inject too much, we will jeopardize the plan. These injections should be finely tuned, and this will be our greatest concern as the program is implemented tomorrow.

[Beting] Until this past Wednesday, there was more currency than goods in the economy. Tomorrow there will be more goods than currency. Has the impact of this situation on inflation been considered by the economic team? What do you expect the inflation rate to be by 15 April?

[Collor] Near zero. There will be two immediate effects. I would like the people watching this program, especially the housewives, to try to see these effects. As of tomorrow, in supermarkets and in other shops, you will verify that prices, beginning tomorrow, are beginning to drop. This is the first effect. The second effect is the decline in inflation.

The question should not be what I expect for 15 April, but the absolute certainty I have about what the case will be on 15 April. Prices will be declining, salaries will be gaining purchasing power, and inflation will be dropping. We will emerge from a monthly inflation rate of approximately 90 percent, daily inflation of three percent, to an inflation rate close to zero, thanks to economic mechanisms that are perfectly understood by those who understand these matters. These people can attest that these measures have one objective: to achieve in a very short period an inflation rate of zero, revalued salaries, and lower prices.

[Amorim] Mr. President, former Minister Mario Henrique Simonsen, in an interview with O GLOBO newspaper, said that one of the keys to the success of this plan is that society must believe that the money that was compulsorily withdrawn from the overnight market and savings accounts and deposited with the Central Bank will be returned to the customers' pockets with monetary correction and interest.

[Collor] No doubt.

[Amorim] Brazilians recently had a bad experience under the Cruzado Plan with the unfortunate FND [National Development Fund] that got lost, turned to dust, and was

never returned to the pockets of Brazilians. What is the difference between this plan to deposit money with the Central Bank and the plan that used the FND?

[Collor] First, there is a guarantee. I am the one who is giving assurances, and I am a person who makes a point of rigorously complying with what I set out to accomplish. Second, some people are saying—and with good reason—that the 18-month period we established is too long. We agree that it is long, but we expect that period to be shortened. With the people's support—a great amount of support, as reflected in the opinion polls that have been conducted—we now only need the cooperation of Congress, which I am confident will not be lacking, as well as good management of the program. With effective use of the controls, the inflation rate will decline, and that time period can be shortened. The money can be returned sooner if some targets are met within a shorter period than we anticipated.

[Beting] In addition to reducing the period for the return of funds, would you also raise the ceiling on withdrawals from accounts?

[Collor] Well, if we succeed over a short term, let's say in six or seven months, if we reach the end of this year with a balanced budget.... [changes thought] We will also enforce the government's administrative reform. It is very important to emphasize the significance of this reform. For the first time, the government has provided tangible evidence that it is reducing its interference in the economy, that it is reducing public spending, and that it is increasing state efficiency. The administrative reform is a major step that will allow us to save approximately 0.5 percent of the GNP.

If all these changes take place as scheduled, and if at the end of the year our accounts are balanced, if the inflation rate drops, and if the salary problem is solved, there will be no reason to maintain the deadlines and the ceilings as originally planned. That would be equivalent to maintaining a reservoir at its fullest level.

We could reduce the deadlines and increase the ceilings little by little. At this time, however, we cannot change the plan. This is very important.

The plan operates like a dam. You can imagine the reservoir at its top level, right? If someone begins to make changes in the dam's mechanism, removing something here and something there, he will end up drilling a hole in the dam and all the water will be lost. This would kill our plan, our hopes, and the country's opportunity to achieve economic stability.

It is therefore essential to enforce the plan as scheduled; it was studied carefully, and we need the entire plan to achieve the effects that all of us desire.

[Amorim] Mr. President, I have heard from a congressman linked to the PSDB [Brazilian Social Democracy Party] that one of the theories—and by no means am I trying to break that dam of yours—that one of the theories up for negotiation in Congress is to give a total adjustment for inflation not only to people earning the minimum salary. Your plan calls for an adjustment for total inflation plus five percent for those earning the minimum salary. That congressman is suggesting that another plan could be to grant a total correction plus five percent to people earning a salary somewhere above the minimum....

[Collor, interrupting] But he is basing this on a presupposition that we do not share.

[Amorim] Which one is that?

[Collor] If I am not mistaken, his presupposition is based on the principle that inflation will continue to grow, that it will be the same. Our reasoning is based on the principle that inflation will drop. Our principle is that there will be an increase in real salaries within the next 45 days. Why? Because inflation will drop drastically, and prices will drop. The purchasing power of salaries will increase. There will be a real gain in salaries. That is our principle. The overall plan has been proposed on the basis of that inflation situation.

The problem, my dear fellow citizens, is that we are so accustomed to living with this inflation rate, which is absolutely ridiculous. How can anyone believe in a 90-percent monthly inflation rate? We are actually mistaken in our reasoning regarding the future, based on this program.

[Beting] Mr. President, returning to the issue of that dam, the states and municipalities have their resources in the overnight market and other financial assets that were also expropriated....

[Collor, interrupting] The states and municipalities have been exempted from these rules.

[Beting] Have they been exempted?

[Collor] Yes, they have.

[Beting] Then the mayors can sleep peacefully?

[Collor, smiling] Yes, they can sleep at ease.

[Amorim] So they can draw more than allowed by the limits, to pay salaries....

[Collor, interrupting] They can. The resources of states and cities have been exempted. The official resources, I mean.

[Amorim] Now, going back to these assumptions regarding the flexibility of the plan, have you considered the possibility—which has been raised once again by labor leader Luiz Antonio Medeiros—of establishing a stabilization mechanism for six months, for instance, for small and medium-sized enterprises?

[Collor] We sincerely expect that Brazilian businessmen will not lay off workers. We expect that they will not, because the businessmen understand the program and know that it should quickly reduce inflation and get the

economy functioning on firmer ground, with stable and clear rules. We, the government that came to power on 15 March, will not welcome any dismissals of personnel during this process. They cannot believe that this plan will create any type of difficulty in the very near future. We should all believe in the plan, as the Brazilian society and nation believe in it.

I predict that workers will not be laid off. If there are layoffs, however, we will adopt measures. We do not want to adopt any measure without giving those who might eventually be penalized an opportunity to clear themselves of liability. There is the issue of price markdowns in the supermarkets, the issue of school payments. We gave them time, until next Wednesday, to bring their prices down to what they were on 12 March, and so forth. We are giving those who have been marking up their prices an opportunity to repent. The same opportunity will be given regarding dismissals: If we determine that someone is laying off workers at an abnormal rate, then we will be there to once more take measures to protect Brazilian workers.

[Amorim] And would those measures be reasonable?

[Collor] They would be very reasonable. We will analyze the situation, and, if necessary, implement the measures.

[Beting] President, you are concerned about unemployment in the private sector, but the plan will cause unemployment in the public sector. How do you view the problem of civil servants?

[Collor] The issue of civil servants at the federal level, as we all know, is a problem that has been with us for a long time. The private sector functions on the basis of efficiency, on the necessary considerations of cost and earnings. When I manage my enterprises, I have a balance every day and every month to know how much I am taking in and how much I am paying for personnel, suppliers, and so forth.

Unfortunately, this procedure has never been followed in the public sector. Balanced budgets, austerity in superfluous expenditures, and so forth have never been concerns in the public sector. What we are doing is correcting serious distortions that have been with us for years and years.

What is our policy as far as personnel in the public sector is concerned? Our policy is not to dismiss; our policy is to upgrade the employees. But how do we upgrade? We upgrade them by preventing any confusion between the image of the good worker who reports to work early, works hard, does his job well, and justifies his salary and the worker who reports once a month to the cashier to receive his salary, without having worked even one hour. State-owned enterprises will be dismantled because we taxpayers can no longer afford to finance excessive expenditures by the state machinery. There is no way for us to continue to do so. Our tax revenues cannot be thrown into a bottomless pit.

We can have more efficiency in a rather small structure without imposing on the taxpayer to pay its expenditures. Workers who hold permanent jobs in enterprises that will be dismantled will be placed on a waiting list and hired by the state when it needs more help. Workers who were hired under the CLT [Consolidated Labor Laws] rules will be left unemployed when the company is dismantled. Within the administrative reform, this is the policy on personnel in enterprises that will be closed down under the provisional measure that has been promulgated.

[Beting] There are reports going around in Brasilia tonight that the first list of dismissals will be released early tomorrow morning and that it includes almost 10,000 people, including government employees, employees of state enterprises and foundations that were dissolved on 15 March, and employees who did not take examination tests. Can you confirm that?

[Collor] I cannot confirm the exact amount. Certainly, if the enterprises were dissolved with the promulgation of the provisional measures that were published on 16 and 17 March, then the measures will naturally be implemented on 19 March.

[Amorim] Mr. President, the agricultural harvest began on 1 March. Farmers are spending money on fuel, transportation, and machinery repair. Have you considered the possibility of making your plan more flexible to resolve the current problems with the harvest, which will probably will be smaller than last year's due to weather conditions?

[Collor] Allow me to make a minor correction regarding a more flexible plan. The plan cannot be made flexible. What we are doing is expanding the measures we have adopted. The expansion is part of the plan, and at no time does the expansion come into conflict with the structure of the plan, with the spirit of the plan. The expansion is well integrated into the plan; there is therefore no flexibility. We cannot make the plan flexible because we do not know the degree of flexibility. It may bend with the pressure but after a while it may break. If the plan breaks, our hopes will break and the country will break. The country cannot stand another deception.

[Amorim] Is there a risk of breaking agriculture?

[Collor] No, let me talk about agriculture. Our government has absolute commitments to the agricultural sector. I believe that no country can achieve a high level of development without going through agriculture, through production, not only by increasing the harvest area but by producing more, by using new technology such as biotechnology, with the support of the government.

Why do I support agriculture? First of all, what farmers really want is an economy without inflation, because they work with perishable products. These products depend on other elements that have high prices because they are affected by the inflationary process. Farmers also want a stable economy. Second, they want guaranteed financing.

They want to know how much financing they will get, and if they will get it at the right time; agriculture cannot wait, planting corn cannot wait. Financing has to be available at the right time to plant corn. Otherwise productivity will fall and a harvest could be lost.

What else do farmers want? They want a minimum price policy. They want to plant, but they want to know that what they are going to harvest will have a certain price in order for them to reconcile it with their costs. They need roads to get to markets—this is something I talked about during the electoral campaign. There are, unfortunately, cases in which the transportation of a product from the production site to the distribution center costs more than the price of the product. This is not possible. Another thing I want to do for farmers is to recover a great instrument of agricultural policy for this country: the Bank of Brazil. The Bank of Brazil has been associated with agriculture since its foundation. We plan to reactivate the rural credit system that was eliminated some time ago. We will make the credit system strong again to serve as a refuge for farmers.

Regarding agriculture, we will remain within these boundaries, already establishing.... [changes thought] It will not be 100 percent perfect because we are receiving a country that is experiencing a debacle, as everyone knows, and we must establish priorities; we must basically govern and establish priorities.

If you establish priorities in the incorrect order, you are running the risk of betting everything and losing. As I have just said, our priority is inflation. We must fight inflation. This is priority number one. Nothing requires our attention more than this fight against inflation. We must be more dedicated, with all our strength, to blasting this inflation, to killing this inflation. We will bring an end to it.

After this priority has been established, the Agriculture Ministry and the Economy Ministry will establish the bases for the attention we will give to agriculture, with a view toward this harvest, which is expected, unfortunately, to be smaller than last year's, for several reasons.

[Beting] Mr. President, to champion employment and to recoup salary losses, the large trade union organizations could launch a wave of strikes even within the public sector itself, in basic activities carried out by state-run enterprises. Have any measures been prepared to avoid that problem?

[Collor] No, because I feel there is no need for those strikes in view of the positions of the leaders that refused to even read our government program, the opposition leaders. These leaders now understand that our program is correct, that these measures must be carried out. There is an almost universal understanding in Brazil that these are the measures that must be taken.

What does a worker want in general, both in private and public enterprises? He wants a guarantee that inflation will not reappear as a specter in his everyday life, in his day-to-day life. He knows that it is actually inflation that is confiscatory, while others claim that this plan is confiscatory.

This plan is not confiscatory. Inflation is what is confiscatory. It is inflation that has been having a true confiscatory effect and, even worse, it has been confiscating the workers' assets.

Within this dam we are now withholding large profits, large yields obtained by those owning capital assets. Inflation does not act in this manner: Its confiscatory action affects everyone, but holders of large amounts of capital in a high-inflation situation can defend themselves because they have ways of investing their capital. Wage earners cannot do that because they have to eat. They use their salaries to buy supplies for their homes and so forth.

As far as the public sector is concerned, why would anyone call a strike? A strike for what? To prevent some state enterprises from being closed? I believe that Brazilian society in general has endorsed the decision to close down state enterprises. Taxpayers are no longer willing to pay for these enterprises. It is not possible to do that anymore. We can no longer pay people for being idle. We are not going to finance evil actions. We are not going to finance state enterprises that are unable to carry out their functions or to discharge their duties.

The ultimate employer of these state enterprises is not the president of the enterprise nor the president of the Republic, but the people. These enterprises are designed to provide public services; if they fail to adequately perform these services, then they have no reason to exist. Society is not willing to throw money out the window to support this type of activity, which should not exist any longer within the state apparatus.

[Amorim] Mr. President, you have probably implemented the tightest liquidity crunch in the history of the Brazilian economy. Some businesses may go bankrupt, including some state enterprises. Are you going to allow state enterprises to go bankrupt, or are you going to open hospitals to save enterprises?

[Collor] There will be no hospitals. It is no longer the time for that type of hospital. Fellow countrymen, we have to work to curb inflation, to end corruption and misery, to improve the purchasing power of salaries, to establish basic prices, and to build a stable economy. Why do we want all this? This is what is needed to build a true market economy. I would like to discuss this further because strict price controls are not in keeping with your views of a market economy....

[Amorim, interrupting] That is the opinion of Senator Roberto Campos.

[Collor] Price controls are undoubtedly not in keeping with a market economy. In my opinion, the CIP [Interministerial Price Council] and the CACEX [Foreign Trade Department] also interfere with the market economy, and advocates of a market economy view any

type of control as interference. Very well. But it so happens that for us to create a true market economy, we cannot at this time do away with the CIP, the CACEX, the exchange rate, or some handling of prices. I cannot, because otherwise our program runs a risk, consequently risking our ultimate objective of having an economy without any kind of controls.

And we will get to that point, you can be sure. At the end of this five-year administration, with God's help, we will be establishing a true market economy in Brazil, with an austere, efficient, lean state attending to sectors under its competence, such as health, education, infrastructure, and urban transportation; and with private initiative strengthened in the country's economic activities, and so forth, all free of controls.

Regarding this matter of hospitals in a market economy, I want to say this: There is nothing more at odds with this vision of a market economy than this idea of hospitals. The state today is overgrown. Why? Because the state has always been a large hospital. When a private company experienced difficulties, it had a line of credit here or there to help it to continue operations. The most superficial analysis would have shown that company was not able to survive. When the money was imprudently lent by the state and that company again had difficulties, the state took it over. This is how the state became gigantic, interfering in all activities and areas of the economy. The weight of the state became unbearable for society as a whole.

[Amorim] Mr. President, by restricting liquidity you are putting the squeeze on the financial system and the banks. You announced that the financial system is going to pay a hefty bill.

[Collor] No doubt.

[Amorim] Very well, but what if some state or government bank needs a hospital?

[Collor] We can't do anything.

[Amorim] Even if it is the Bank of Brazil?

[Collor] We can't do anything. That's the situation. The mechanisms should be found in the market.

[Amorim] Will you let the Bank of Brazil go bankrupt?

[Collor] It is not a matter of letting it go bankrupt. I don't want to specifically mention any entity. I am not referring to specific cases, but to general ones. Fundamentally, we once and for all have to place responsibility onto the people running an enterprise, whether it be public or private. The Bank of Brazil has shareholders; they can raise capital, if that is the specific case to which you are referring. In sum, other methods that the creativity of market mechanisms can offer should be utilized; fundamentally, the state can no longer act as a hospital, receiving ICU [Intensive Care Unit] patients, terminal patients, to try to revive them. This doesn't work. It is no longer possible if we want to implement the correct economic policy.

[Beting] Mr. President, when the Cruzado Plan was implemented by the Sarney government, the administration had already had one year of experience. You are adopting a plan which is a thousand times more complex and more powerful than the Cruzado Plan, you are implementing it on the very first day of government, and, even worse, you are doing it while the government is undergoing an administrative reform. Do you believe that this plan will be able to be administered beginning tomorrow?

[Collor] Of course, without a doubt. It will have to be administered, because we have to be absolutely certain and convinced of one thing: No one has more confidence in this program than I do. There is one person responsible for this economic program, and one administration. I represent this government as the elected president of the Republic. No one is to be blamed, not Mr. A or Mr. B, for whatever happens. We cannot blame Minister A or Minister B. No, it is my responsibility.

I am responsible for this program, Fernando Collor, the president of the Republic. As everyone knows, I am dedicated to everything I do with absolute intensity, with absolute resolve, with absolute willpower, and with faith in God and Brazilian society. This plan, as our final and sole alternative, will have to yield the expected results within a very short period of time. We must say, as Beting pointed out, that the plan is complex. The Cruzado Plan was much more complex. The Cruzado Plan was much more difficult to understand. Ours is undoubtedly deeper, more all encompassing, and tougher.

It is quite vigorous, but at no point will it be put on the shoulders of the working class, the overwhelming majority of Brazilians, 90 percent of Brazilians. They can rest assured that they will not suffer anything, that no burden will be placed on them.

As for the remaining 10 percent, they will not be experiencing any extra discomfort either. This is the price they have to pay, and they understand that. They are even investing in this program, accepting with a certain tranquillity the payment they will have to make to establish stability in this country. Without stability, without economic stability, there is no social peace. Without social peace there is no harmony in the country. Without harmony we cannot know if we will be waking up the next day. We must reestablish a balanced budget and economic stability for a more just society and a more harmonious country.

[Amorim] Mr. President, I want to tell you about a statement made by one of the authors of the Cruzado Plan, with whom I recently spoke. He said yesterday that, compared to your plan, which is a rocket, the Cruzado Plan looks like a small model airplane.

[Collor] I agree. I think our program is very complex but vigorous. In terms of monetary policy it is as hard as a rock. There is no doubt about that.

Regarding this reduction in liquidity, which we are also placing in that reservoir, we are controlling the faucets, and we have absolutely competent people to open and close those faucets. They will know how to irrigate economic activity, according to requirements, to prevent us from falling into this so-called recession.

[Amorim] Mr. President, I also talked to Ulysses Guimaraes yesterday. In his opinion, one problem your provisional measures could face in Congress has to do with the measure dealing with privatization, with privatization certificates, because you are in a way asking for a blank check to privatize enterprises at will. You have not listed the enterprises that will be privatized. Do you agree with Mr. Guimaraes' evaluation?

[Collor] I must say that, since this is an evaluation by Mr. Ulysses Guimaraes, I hold it in high consideration and respect. I do not want my reply to be in conflict with Mr. Guimaraes' evaluation because I hold him in high esteem. But this is not our intention. What we want to do is to streamline the state apparatus, to return to the private sector the areas covered by the Brazilian state that are in no way related to its basic powers.

Naturally, it would be difficult for us at this time to establish which enterprises are to be privatized, in what order they should be privatized, or which enterprises we should privatize first. I cannot provide these answers now, either, because the decisions will be made based on evaluations being conducted by our economic team, evaluations of a variety of data to which we have had access since our inauguration on 15 March. The main thing is that we should no longer foster a mentality favoring an oversized state, the presence of the state in every area of the economy, or state interference through its establishment of rules in every sector. We want to eradicate this concept, this mentality.

We must implement a process of withdrawing state participation from some economic areas, of strengthening the state; as soon as the state is streamlined, it will have the resources on hand to apply to areas under its specific jurisdiction. When the state begins to repay taxpayers with good public services for their taxes, it will begin to be respected because it will be carrying out its true functions. We will then allow the private sector to take over the economic areas that the state has been administering but which had nothing to do with the state.

We will take crystal clear measures in the area of privatization. We want all sectors of Brazilian society to participate in this privatization process, especially Congress. We will not be able to privatize any enterprise without passing the rigorous screening process of Congress. At no time have we thought about doing otherwise. We want Congress to participate decisively in this program so we can share the credit for this effort, which will be a great victory for the country, not just for the government. It is the country that will emerge victorious. I do not want the newly inaugurated government to be credited exclusively with this victory. I want to share this victory with Congress and with all the members of Congress. Acting in solidarity and with a sense of cooperation—as the National Congress is showing at this very difficult time in our national life—a good share of the success of this program should be credited to Congress if, judging by congressional leaders' remarks, the program is approved within the next 15 or 30 days.

[Beting] Mr. President, will buyers from the private sector purchase state enterprises, or will you be satisfied with the measure on privatization certificates, which will force banks to buy even (?beer stocks).

[Collor] A privatization certificate is characterized as being forced upon banks, insurance companies, and those outfits with large capital holdings. The longer these companies hold on to these certificates, the less profit they will make; monetary correction and interest rates will be declining. Thus, as a part of Brazilian society, they will have to join the privatization process immediately to take part in this recovery process for the Brazilian economy.

[Amorim] Mr. President, I cannot resist the temptation to tell you this. I do not know if you have heard the nickname given to the privatization certificates. It has been said that you have given the banks ice cubes, and of course the banks will be holding them as they gradually melt. But I would like to go back to the subject of privatization to say this: You appointed a young economist, Luiz Otavio Mota Veiga, as president of the Brazilian Petroleum Corporation [Petrobras]. His specialty is stock markets and privatization. Am I correct in assuming that his appointment reflects your intention to take control of a good amount of the enterprises under Petrobras?

[Collor] I would not say that. The appointment of Luiz Otavio is aimed at giving Petrobras the desired efficiency. Petrobras, which is a resource of Brazilian society, has unfortunately been suffering terribly due to problems that are the result of economic policies, not the deficiencies of its leaders. Petrobras could not manage itself because it was suffering every day from the effects of the economic policy, which ultimately distorted the broad range of its activities. Luiz Otavio's first priority at Petrobras will be to restore it as the enterprise that has always deserved our praise and admiration, returning it to its efficient state, with resources to invest.

Today Petrobras has difficulties in making investments. This has never happened before at Petrobras. And Petrobras sells petroleum. Can you believe that? It sells petroleum.

[Beting] It is running the risk of becoming the only oil company to go bankrupt.

[Collor] We cannot let that happen to Petrobras. The future Petrobras president has therefore been charged with the primary duty of helping the company recover

and of making it active and strong again, with the resources needed to comply with the government's guidelines of increasing petroleum production; of quickly making us capable of fulfilling our own oil needs; and, in a general way, of becoming an instrumental factor in promoting economic growth in our country.

[Beting] Mr. President, it has been reported that you will adopt provisional measures to open the electrical energy sector to the private sector—not necessarily by selling state enterprises but by allowing private enterprises to participate in the production of electrical energy....

[Collor, interrupting] And to make new investments.

[Beting continues] ...in the production of electricity and in the telecommunications sector.

[Collor] Yes, because these are two....

[Beting, interrupting] You will be privatizing the areas of state enterprises.

[Collor] Because there are two types of privatization: First, the privatization of what already exists. Actually, there are three types: The reprivatization, or a privatization of areas that had been under the private sector and which, as evidenced by the examples we gave earlier, the state brought under its jurisdiction; second, the privatization of state enterprises that should not have the state as their main shareholder; and third, the privatization of new investments in the electrical, transportation, and communications areas.

Why in these three areas? First, because Brazil will have to invest nearly $30 billion in the electricity area alone in the next four years so that the country will not collapse due to lack of energy. We do not have (?reserves); we do not have the internal savings to meet the demand for these investments, which in the electricity sector alone will total $30 billion.

[Beting] And in the railway system.

[Collor] Of course. The railroads are included in the transportation area. We want to open areas in the electrical sector that have been monopolized by the state with the effect of privatizing these new investments. We will guarantee utility rates of course because no one will participate in a privatization process in the energy sector if the rates were to remain under strict government control, which would deter anyone from investing his money in this sector.

[Amorim] Mr. President, a well-known political journalist said in his column today that Brazilians have grown tired of two types of intervention in their lives: military intervention, which deprives them of their freedom, and the intervention of wise economists, who take their money away from them. Do you believe your plan will once and for all help Brazilians get rid of these two types of intervention?

[Collor] I have no doubt. Today we are being driven to hopelessness; we are losing confidence in tomorrow. The process we have experienced in recent years was instrumental in taking our hope away from us. Today, when I look at my children—one is 13, the other is 10—I say to myself: If I cannot take a position, if I cannot propose to society a plan for us to overcome this situation, what is going to happen to my two children 15 or 20 years from now? Will they be living in a country with order, with calm? Will they be able to raise their children—my grandchildren—here in my country?

These are questions I ask myself. We have to take prompt, effective action. Action must be taken promptly to promote efficiency through the implementation of the plan, which went into effect on 16 March.

I am absolutely certain that the implementation of this program will lead us to commemorate, my people, within a short time.... [changes thought] Not a year from now, but within a few months, we could be in the streets finally commemorating the end of this inflationary process, an improvement in the purchasing power of workers, and prices comparable to the salaries paid in our country. This is important. I am certain that we will all be participating in this great celebration.

[Beting] Mr. President, what is the name of the plan?

[Collor] The New Brazil Plan.

[Beting] It is not the Collor plan?

[Collor] No, because that would be too presumptuous of me since I know the plan will be successful. I prefer that the plan be called the New Brazil Plan, for a Brazil everyone is going to build, a Brazil with dignity, austerity, and respect, a Brazil we will all respect, a Brazil where we will respect our flag, that green, yellow, blue, and white flag, the flag with the words order and progress.

We are going to put this country in order, we are going to put our house in order, and we are going to give everyone the dividends of progress that this economic plan will doubtlessly deliver. This is why I believe that this plan would be better named the New Brazil Plan, for the Brazil we are already beginning to build together.

[Beting] Mr. President, would you like to send a personal message to the people who are awaiting a new shock treatment in education, health, and security?

[Collor] Education, health, and security are in a bad situation because the state has lost its capacity to invest. How did the state lose its capacity to invest? It lost that capacity because it became too big, inefficient, and corrupt. The country's money was used to pay a gigantic bureaucratic machine.

Without the plan, by next April all the money collected in this country would hardly pay the salaries of public employees. Nothing would be left for investments. This is why parents have a hard time getting their children

registered for school. When they manage to get their children registered, the school rooms have no chairs, no pictures, and no chalk. Or perhaps there are no teachers, who for some justified reason, are here and there demanding their salaries.

When a mother takes her child to a health center to treat a cut, she finds that there is no mercurochrome, there is no adhesive tape, and there is no gauze. When she tries to go to a urban hospital, there is no bus, or there is no bus at the right time, or it has broken down, or perhaps it is late.

Public security, attacks, young delinquents all reflect the absolutely unjust system that is prevailing in the country. State authorities are unable to invest in these sectors. So this is precisely what we are doing. With the reforms we are promoting, the state will again have money to invest in these areas—areas where the state must be involved. It has an obligation, a constitutional obligation to get involved. This is what all these reforms will provide for all of us.

I have great faith in all of you. You have led me to the presidency of the Republic. You have elected me twice, once on 15 November and again on 17 December. You have elected me to implement this program, a program to fight inflation. This is what I promised you, and this is what I am doing. I therefore have complete confidence in the support you are already giving us, the support expressed through the polls.

With the grace of God, with the force that He will give us, we will finally be implementing and establishing a program in this country which will yield the expected results, a program which is already yielding good results, and which will increase the purchasing power of the workers' salaries and bring down prices, as they should be dropping as of tomorrow. It will also help us recover our confidence in this great nation, our Brazil.

[Beting] Mr. President, thank you very much for being here. May God enlighten you.

[Collor] Thank you. Good evening.

[Beting] Good evening.

[Amorim] Good evening.

Foreign Debt Payments Temporarily Suspended

PY2103014690 Rio de Janeiro O GLOBO in Portuguese 20 Mar 90 p 1

[Text] The Central Bank last Sunday suspended remittances of foreign currency abroad and exchange operations for foreign debt payments. Even payments to the Paris Club, which includes official institutions from creditor countries, have been suspended. The Central Bank has stated that this suspension can in no way be regarded as a moratorium and that the suspension will be maintained until the new free exchange system begins to function normally, that is, for no more than a week.

Economy Minister Zelia Cardoso de Mello yesterday said the renegotiation of the foreign debt will start during the first week of April. She added that the government will not pay more than $5 billion this year to its creditors.

Central Bank Confirms Suspension

PY2003211490 Madrid EFE in Spanish 2037 GMT 20 Mar 90

[Text] Brasilia, 20 Mar (EFE)—The Brazilian Central Bank today confirmed to EFE that Brazil has temporarily suspended, for technical reasons, all foreign payments in foreign currency.

Central Bank spokesman Pedro Kleiber said this decision was made in the face of "difficulties in implementing these operations" and will be in force until the exchange rates are stabilized.

Some Brazilian media claimed that this decision constitutes a moratorium. Denying this allegation, Kleiber announced that the Central Bank board will "evaluate the market situation" this weekend.

The economic plan "New Brazil," as President Fernando Collor de Mello called it last Sunday, has established a floating exchange market with certain controls.

Some measures, such as the partial compulsory withholding of various banking accounts, have brought about a sharp lack of liquidity in Brazil.

According to estimates by Brazilian journalists, $95 billion have been frozen, out of a total of $120 billion deposited in official and private banks.

The first effects of the plan have been a free fall of the U.S. dollar on the parallel dollar market, which operated until last week.

There are virtually no stock market or gold market operations. The few operations conducted today resulted in a 20-point drop in the dollar rate.

On Tuesday, 13 March—the last day of banking activity before the three-day bank holiday—a dollar was being sold at 75 new cruzados.

Measure 148 on Sale of Federal Real Estate

PY2003215690 Rio de Janeiro O GLOBO in Portuguese 17 Mar 90 p 24

["Text" of government's Provisional Measure 148, issued in Brasilia on 15 March]

[Text] This measure regulates the sale of real estate owned by the Federal Government in Brasilia, Federal District and makes other provisions.

The president of the Republic, in the exercise of the authority vested in him by Article 62 of the Federal Constitution, adopts the following Provisional Measure, which is binding as law:

Article 1. The Executive Branch is authorized to sell, through public bidding and in compliance with Decree-Law 2300 of 21 November 1986, the residential properties located in the Individual Housing, Country Houses, and Mansions Sectors of the Federal District.

Article 2. The Federal Savings Bank [Caixa Economica Federal] will conduct the bidding, which will be completed within 120 days from the publication date of this Provisional Measure.

Article 3. The Federal Savings Bank will be responsible for putting in order the ownership deeds of the sold properties at the administrative organs of the Federal District Government, the Registrar's Office, and the Real Estate Registrar's Office of Brasilia, Federal District.

Single paragraph. The Registrar's Office and the Real Estate Registrar's Office will give priority to the Federal Savings Bank in aforementioned procedure of ownership regularization.

Article 4. The proceeds from the sale of each property will be converted into Federal Government revenues and will be mandatorily invested in housing programs of a social character.

Article 5. The Executive Branch will issue regulations for this Provisional Measure within 60 days from its publication date.

Article 6. Public enterprises, mixed economy corporations, respective subsidiaries and entities directly or indirectly controlled by the Federal Government are authorized to take all the legal and administrative actions necessary for selling residential units not related to their operational activities, based on the terms of this Provisional Measure.

Article 7. All provisions to the contrary are revoked.

Brasilia, Federal District, 15 March 1990; 169th year of independence and 102d year of the Republic.

Provisional Measure 149 on Property Disposal

PY2103024090 Rio de Janeiro O GLOBO in Portuguese 17 Mar 90 p 24

["Text" of government's Provisional Measure 149, issued in Brasilia on 15 March]

[Text] This measure regulates the transfer of government owned residences and real estate linked or incorporated to the FRHB [Brasilia Housing Rotating Fund] located in the Federal District and makes other provisions.

The president of the Republic, exercising the authority vested in him by Article 62 of the Federal Constitution, adopts the following Provisional Measure, which is binding as law.

Article 1. The executive branch is hereby authorized to sell, through public bidding and in accordance with Decree-Law 2300 of 21 November 1986, all residences owned by the government located in the Federal District, including those linked or incorporated to the FRHB.

Paragraph 1. Bidders are excused from fulfilling the requirements of Article 16 of the aforementioned decree-law.

Paragraph 2. The following properties are not included in this authorization:

I. Residences administered by the Armed Forces that are intended for occupation by the military.

II. Residences assigned to foreign service employees referred to in Law 7501 of 27 June 1986.

III. Residences occupied by members of the legislative branch.

IV. Residences occupied by ministers of the Federal Supreme Court, the Superior Tribunals, and the National Court of Accounts; by the attorney general and the prosecutors general of the Public Federal Ministry, the Labor Ministry, and the Military Ministry; and by the general prosecutor of the National Accounts Tribunal. These properties may be included in the authorization by an expressed notification to that effect issued within 20 days from the publication of this provisional measure.

V. Residences used by public servants holding positions of trust or considered by the executive branch as essential to the public service.

Single paragraph. Residences to be used by public servants mentioned in Item V of this article will be chosen from those that are available at the time this provisional measure goes into effect, or that become available through voluntary vacating or court order.

Article 2. The Federal Savings Bank [CEF] will preside over the public bidding for the residences mentioned in Article 1 of this provisional measure in accordance with the following criteria:

I. The sale price of the real estate will be that of the market, established according the appraisal methods normally used by the CEF.

II. Only individuals can participate in the bidding.

III. The bidder can only present an offer, at each bidding, for a single residence.

IV. The bank will sell only one unit to any individual.

V. The residences will be disposed of through public contract (Article 60, Law 4380 of 21 August 1964)

VI. The sales contract, even in cases of cash purchases, will carry a clause preventing the buyer for a period of five years from selling, promising to sell, or transferring his rights on the residency in accordance with the terms of this provisional measure.

Article 3. Any document signed in violation of Article 2, Item VI, will be null and void, and the parties involved in it will lose all rights to compensation.

Article 4. The sales contract will be canceled, independent of any court or court appeal, if the purchaser makes a false declaration during the process of approval of the purchase. In this case the purchaser will be returned the amount deposited for the purchase without adjustments of any kind.

Article 5. The CEF will be responsible—after notifying the Federal District's administrative organs, the Registrar's Office, and the Real Estate Registrar's Office—for legalizing the ownership titles.

Single paragraph. The Registrar's Office and the Real Estate Registrar's Office will give priority to documents that are sent by the CEF in the proceedings described above.

Article 6. The legal occupant of a residence on the date the call to the public bidding referred to in this provisional measure is published will be able—after the winning bid for the residence he occupies is known—to purchase the residence by notifying the bank of his purpose within a period of 30 days, offering the same amount as the winning bid, and by meeting the following prerequisites:

I. be the legal tenant and in a legal term of occupation;

II. be current on all obligations relative to the occupation;

III. hold a permanent job or position in an organization or entity that is part of the Federal Public Administration or the Federal District.

Paragraph 1. The Presidential Secretariat of Federal Administration will conduct a census to determine the legality of present occupations of residences, based on the current legislation.

Paragraph 2. An occupant who lacks the financial means to purchase the residence he occupies will be allowed to request the appropriate organization that such residence be exchanged for one more suited to his income. This request will depend on the existence of an appropriate residence and on the administrative convenience of creating residences as discussed in Article 1, Paragraph 2, Item V.

Paragraph 3. The occupant will be subject to the provisions of Item VI of Article 2, and Article 3 of this provisional measure.

Paragraph 4. The occupant of a residence that does not receive any offer in a public bidding will be able to purchase it by offering to pay the value of the official evaluation registered at the CEF.

Article 7. The buyers of residences will be allowed to finance their purchases with the help of members of the Housing Finance System, SFH, or other institutions including open and closed private social security funds.

Article 8. The CEF will represent the federal government in contracts pertaining to the sale or purchase of federal housing units and is authorized to file lawsuits and arrange the out-of-court measures necessary for the implementation of this provisional measure.

Article 9. The signing of a sales or purchase contract will automatically terminate the term of occupation as determined by Decree 85633 of 8 January 1981 and Decree 96633 of 1 September 1988.

Article 10. The Order of Brazilian Lawyers, Federal District Section, is authorized to designate a representative to participate in the public bidding commission that will be designated to implement this provisional measure.

Article 11. The amounts obtained from the disposal of the residences will be converted into federal revenues and will be compulsorily used in social housing programs.

Article 12. Public enterprises, mixed societies, their branches, and entities directly or indirectly controlled by the government are hereby authorized to implement the legal and administrative measures necessary for the disposal of the residences under their jurisdiction that are not linked to their operational activities, in accordance with this provisional measure.

Article 13. The occupation of residences that are not singled out for sale will continue to be ruled by the dispositions of Decree-Law 1390 of 29 January 1975 as long as it is in accordance with this provisional measure.

Article 14. Those with licenses to occupy residences are required, among other things to:

I. pay:

a. a user tax;

b. ordinary maintenance expenses resulting from the proportional distribution of monthly expenses for items such as janitorial service, water and electricity, fire insurance, and other costs resulting from the use of common areas;

c. a condominium payment that is in force when the premises are located in a building owned as a condominium with a third party, which payment does not cover expenses mentioned above;

d. the building's gas, water, and electricity costs;

e. a fine equivalent to 10 times the value of the user tax for each period of 30 days that the residence is not vacated after the holder loses his right of occupation;

II. sign the building's administration convention;

III. when vacating, return the premises in the same conditions in which they were taken over.

Paragraph 1. The payment of the user tax and the ordinary maintenance expenses will be certified by receipt, or by a document certifying rent payments directly to the National Treasury with a copy to the organization responsible for the administration of the building.

Paragraph 2. In case of delays in paying user taxes or maintenance fees, the occupant will be charged one percent a month plus an inflation adjustment for every month's delay.

Paragraph 3. The sums mentioned in "c" of Item I of this article will be paid directly to the condominium or to the organization responsible for the administration of the premises.

Article 15. The user tax will not be less than one one-thousandth of the current value of the premises and will be subject to the same indexes by which salaries of federal workers are adjusted.

Article 16. If the occupation of any premises, as mentioned in Article 13, is found to violate regulations, the government will summarily intervene to recover possession, regardless of the time it has been occupied.

Article 17. The executive branch is hereby authorized to eliminate the FRHB, which was created by Law 4380, Article 65, Item 5, of 21 August 1964. All properties assigned or incorporated to it will be placed under federal ownership.

Article 18. The Construction and Real Estate Administration Superintendency, SUCAD, is hereby eliminated. All SUCAD assets and attributions will henceforth be exercised by the Presidential Federal Administration Secretariat.

Article 19. The executive branch will issue all complementary regulations to this provisional measure within 45 days of its publication.

Article 20. Decree-Law 76 of 21 November 1966 and all dispositions contrary to this measure are hereby repealed.

Brasilia, Federal District, 15 March 1990; 169th year of independence and 102d year of the Republic.

Fernando Collor

Bernardo Cabral

Labor Minister Says No Promise of Job Stability

PY2003150790 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 20 Mar 90

[Text] Labor Minister Antonio Rogerio Magri has said the government will adopt strong measures against those companies that implement massive firings in view of the new economic program. Magri declined to comment on the measures to be implemented but he said they will seriously affect the companies in question.

Labor Minister Magri believes that the government's economic program will promote economic growth in no more than two or three months. He added that in view of this, dismissals are not justified since later on companies will have to hire personnel.

After a meeting with representatives of Brazilian labor confederations throughout the country, Antonio Magri categorically denied that the government will guarantee job stability in the next few months. Magri believes that job stability is achieved through a stable economy.

[Begin Magri Recording] No modern-day country with a free and over-heated economy guarantees job stability. A worker's job stability is achieved through a stable economy. This is exactly what this economic program intends to do: achieve economic stability, overheat the economy, create job sources, and promote competitiveness so that people may have access to jobs through competitiveness.

Therefore there is no need to guarantee job stability since the economic program seeks to heat-up the economy, and to give more money to workers instead of guaranteeing job stability. Job stability is guaranteed in Third World countries. But a modernized country, a first world country, cannot guarantee job stability because this is achieved through a healthy economy which is what this economic program intends to achieve. [end recording]

Labor Minister Antonio Magri also admitted that heeding what has been proposed by the Workers' Party, the government may require a longer lead time between notice of dismissal and actual dismissal of workers as a means to avoid massive firings.

Bank of Brazil President Policaro Sworn In

PY2103122690 Brasilia Domestic Service in Portuguese 2200 GMT 21 Mar 90

[Summary] Alberto Policaro was sworn in today as president of the Bank of Brazil in a ceremony attended by Agriculture Minister Joaquim Roriz, the Federal District governor, congressmen, and the bank's employees.

Chile

Congress Resumes Activities After 16 Years

PY2103030090 Santiago Radio Cooperativa Network in Spanish 2300 GMT 20 Mar 90

[Relay from Valparaiso by Osvaldo Vega]

[Excerpts] With sessions in the Chamber of Deputies and in the Senate, the National Congress today resumed its legislative activities after a suspension of 16 years, 6 months, and 10 days. The suspension ended today with the opening speech by Interior Minister Enrique Krauss, who stressed the history of the Chilean Congress, which is identified with the history of our independent nation.

Speaking to the Senate and then to the Chamber of Deputies, the Interior Minister said that the National Congress will play an irreplaceable role within the government that began on 11 March. [passage omitted]

Both the Senate and the Chamber of Deputies have agreed to hold sessions on Tuesdays and Wednesdays from 1600 to 1900 here in Valparaiso. The various committees will work on Thursdays. [passage omitted]

Establishment of Diplomatic Relations Announced

PY2103024890 Santiago Domestic Service in Spanish 2300 GMT 20 Mar 90

[Text] The Chilean Government will establish diplomatic relations with Trinidad and Tobago, Suriname, Guyana, and Jamaica. This announcement was made by Under Secretary of Foreign Relations Edmundo Vargas.

He said that the first two countries are the most important in the Caribbean [as heard], and that they are important participants in international meetings. He indicated that the Chilean Foreign Ministry did not abandon its relations with the Caribbean countries, but that those countries did not accept Chile's ambassadors. Vargas explained that the Caribbean countries represent one-third of the Latin American countries in the United Nations, and 10 of the 31 countries in the OAS.

He emphasized that establishing relations with those countries would have political and economic importance, especially political. Vargas added that Chile shares many common problems because our country wants to protect and promote human rights, defend democracy, and define Latin America as a zone of peace and security.

Interior Ministry Creates Intelligence Unit

PY2003202290 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 20 Mar 90

[Text] General Horacio Toro, retired, director of the Investigations Department, has reported the creation of an Interior Ministry intelligence unit that will gather information on labor union and political activities.

Toro said that the investigations to be conducted by the unit, which will be also shared by Carabineros, will be similar to the work that the CNI [National Intelligence Center] and the political police undertook in the past.

[Begin Toro recording] You can call it political police, if you want. Actually, the old political police gathered information on the same subjects. Such a coincidence is not surprising, because the information needed by the Interior Ministry, by the interior under secretary, by the defense minister—in connection with actions that might disturb public order or jeopardize internal security—and by the president is always on the same subjects. [end recording]

After meeting with the interior minister, Toro said that this type of information has been supplied on a daily basis since 13 March, and he added that the frequency of this operation is expected to shift to a weekly and then to a monthly basis. He said that his unit is understaffed, that he will not introduce major structural changes into it, and that it will only provide information to the Interior Ministry, not interpret it.

Asked about the remarks by Gen. Toro, Interior Minister Enrique Krauss said:

[Begin Krauss recording] The intelligence sector has operated in several services and systems. During the Frei administration, in which I participated, and I believe also during the Allende administration, there was an intelligence unit that operated through the investigation service and through Carabineros. This is more or less what we are trying to rebuild. [end recording]

Defense Minister on Possible Lifting of Sanctions

PY2003223090 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 20 Mar 90

[Text] Defense Minister Patricio Rojas has stated that the Kennedy Amendment could be abrogated very soon.

[Begin recording] [Rojas] Considering the talks we have held, we are convinced that it will be abrogated in a very short time, so that no sector may suffer any sanction under the democratic government. I want to add that the Chilean Armed Forces are not seeking a quick abrogation of the Kennedy Amendment, because they have achieved the technological development for meeting the demands for spare parts that could not be purchased abroad due to the embargo imposed by the Kennedy Amendment.

[Reporter] What steps will be taken to get the embargo lifted?

[Rojas] Well, the steps must be announced by the justice minister, because these matters are under his exclusive jurisdiction, since they have to do with the Letelier case. Those steps must be taken in the judicial branch. [end recording]

The defense minister added that he hopes that the Letelier case will be resolved this year. He made this statement this morning after receiving General Maxwell Thurman, chief of the U.S. Southern Command.

PCCh's Sanfuentes on FPMR Malbrich's Comments

PY2003190290 Santiago Domestic Service in Spanish 1100 GMT 20 Mar 90

[Text] Asked about comments made in Spain by Manuel Rodriguez Patriotic Front (FPMR) member Sergio Malbrich, who is currently at large in that country, Communist Party of Chile [PCCh] spokesman Jose Sanfuentes said he is sure that no Chilean interested in taking part in the democratization project will do anything against it. He was referring to Malbrich's remarks that the FPMR will continue its armed fight.

Sanfuentes said: I want to point out that Malbrich's remarks confirm that the FPMR will contribute to the democratization process and never hinder the success of the process.

Sanfuentes pointed out that communists, leftist forces, and all democratic sectors will do their utmost to make sure that all mass demonstrations are conducted normally.

Minister on Release of Political Prisoners

PY2003191690 Santiago Domestic Service in Spanish 1100 GMT 20 Mar 90

[Text] Justice Minister Francisco Cumplido Cereceda has announced that some political prisoners will be released this week. He added that this measure involves prisoners who were not involved in attacks in which people were killed or injured. Cumplido also said the government is analyzing the possibility of pardoning 20 other political prisoners.

The justice minister reasserted that the government does not agree with the hunger strike being staged by some of the political prisoners in the former Santiago public jail. He said the strike only complicates the search for solutions to the problem.

[Begin Cumplido recording] In my opinion, this measure of force is negative because it only hinders the study and approval of the legislative projects. I have been told that the political prisoners' organizations and their lawyers have tried, in vain, to convince them to give up their hunger strike. While the strike lasts, we will continue to take the necessary measures to solve the political prisoners' problems, without taking into consideration the hunger strikes. [end recording]

Minister Cumplido said the names of the pardoned political prisoners will not be officially made public because this is a private and confidential right of the released prisoner. He also said the prisoners to be released come from various parts of the country.

Political Prisoner Released

PY2103134890 Santiago Radio Cooperativa Network in Spanish 2300 GMT 20 Mar 90

[Relay from Concepcion by Mario Aravena]

[Excerpts] Here in Concepcion, political prisoner Vladimir Alexis Enriquez Munoz, 30 years old, has been set free. Accused of participating in several terrorist actions, Enriquez Munoz had initially been sentenced to life imprisonment. The trials conducted in the courts of Talca allowed the prisoner, by request of his relatives, to be transferred to the Concepcion prison. Enriquez has been in prison for four and one-half years. [passage omitted]

A judge has ordered the immediate release of the prisoner based on the February 1990 changes to the antiterrorist law. He also reduced the sentences of four other prisoners. [passage omitted]

Colombia

M-19's Pizarro To Be Presidential Candidate

PA2103033690 Hamburg DPA in Spanish 1721 GMT 20 Mar 90

[Text] Bogota, 20 March (DPA)—Carlos Pizarro Leon-Gomez, highest-ranking leader of the former Colombian guerrilla movement, now the legally registered political party, the 19 April Movement (M-19), has been confirmed as its presidential candidate for the 27 May elections.

The appointment was made upon conclusion of an M-19 convention, the first after becoming an overt organization less than two weeks ago. Also, the convention protested the "doubtful" vote-counting process that had caused the loss of two municipal posts after the 11 March legislative and municipal elections.

The M-19 surprised everyone during those elections by winning two municipal posts, in San Alberto and Almaguer, and a seat in the congressional lower chamber by one of its most important leaders, Vera Grabe Loewenherz.

It has been reported that the leftist Patriotic Union (UP) has contacted the M-19 to review a possible alliance and the proclaimation of a single presidential candidate.

Nevertheless, M-19 leaders say Pizarro Leon-Gomez will continue his campaign to the end, while UP hopeful Bernardo Jaramillo Ossa apparently has the same intentions.

The highest number of votes ever achieved by the Colombian left, traditionally divided with deep ideological rifts, was obtained by UP presidential candidate Jaime Pardo Leal—who was assassinated in 1987 by extreme-right mercenaries—in the 1986 presidential elections, when he received approximately 400,000 votes.

Police, Army Increasing Antidrug Operations

PA2003211490 Bogota Radio Cadena Nacional in Spanish 1200 GMT 20 Mar 90

[Text] Cali—Over the past few hours, the police and the Army have been increasing their operations in Valle del Cauca Department, where they carried out three successful, harsh blows against narcotic traffickers. Over 30

[as heard] persons have been arrested while one and one-half tons of cocaine have been seized.

The initial results of the operations were evident in Ricaurte, Bolivar Municipality, where the Bogota Narcotics Squad seized nearly 1,500 kg of cocaine and arrested 14 persons. Another cocaine processing lab was uncovered in the Jamundi, in the southern part of Valle del Cauca Department.

A few hours ago, a landing strip over 2,000 meters long was found in Riofrio Municipality. The 14 persons who were arrested will be turned over to a judge in Buga. They were arrested when troops from the Third Brigade uncovered an illegal landing strip in Piedras, Riofrio municipality, in the central part of Valle del Cauca. Weapons communications equipment, three vehicles, and heavy machinery were also seized during the operation.

Ecuador

* Vargas Pazzos on Presidential Aspirations

90ET0134A Quito VISTAZO in Spanish
26 Oct 89 pp 19-23

[Interview with Frank Vargas Pazzos by Fernando Artieda; date and place not given; first five paragraphs are introduction]

[Text] The 1988 defeat was only one step backward in order to organize for the next advance. Frank Vargas Pazzos has returned to the arena, and he has embarked on a campaign which he hopes will lead him to the presidency of the Republic in 1992. Here he speaks about the government, Febres Cordero, and the key to his success, among other things.

He has been a protagonist in our recent history. The rebel of Manta and Quito was accused of promoting a coup, was arrested, tried, and then released. He is the candidate who came in fourth on the first round in the last popular election for the presidency of the Republic. This first encounter with electoral vicissitudes, in which he was instinctively successful, put a sharper edge on the rallying cries of General Frank Vargas Pazzos, and have faced him with the possibility that he may win power in Ecuador.

The current figures, subject to error because they are so early, indicate that he is the first choice in some sections of the country. But the election is 3 years away, and Vargas Pazzos needs all of this time in order to reestablish the subjective image which has faded in the memory of the people, to structure a pragmatic discourse, and to define a realistic ideological profile. This period of time, moreover, will serve to dispel the civic doubts of the moment, and to bring the faces of the protagonists of the future out of the shadows.

But Vargas is a man who is ready, and he possesses a military past which imposes logistics and strategy upon his actions. Thus he is traveling from place to place in the country and organizing the cadres of APRE [Ecuadoran Revolutionary Popular Action], whose highest leadership was finally recognized by the Supreme Electoral Court [TSE]. He is making a group of former commando members in Taura his defensive force, but is open to all political contacts and to any possibility of alliance, ranging from the Marxists who rallied around him in the Patriotic Union of the People [UPP] to Abdala Bucaram's PRE [Ecuadoran Roldosist Party] and the sectors of the Democratic Left [ID] displeased with the present party situation. Members of these sectors have met with him—not secretly, but in open consultations, of which, naturally, Nicolas Issa Obando is aware, although they do not have his sponsorship or blessing.

Within these coordinates, we followed the thread of a lively conversation with Frank Vargas, whose dream it is to be president of a republic where democracy was on the point of being destroyed by the force of arms.

Three Years Later

[VISTAZO] Three years after Taura, what is your basis for continuing to aspire to the presidency of the Republic?

[Vargas] Taura is not the reason I am in politics. It was a historic event which the people profoundly acknowledge, and to which we owe the fact that alternative democracy continues in Ecuador.

[VISTAZO] But has it not occurred to you that all of this popular emotion which developed around your candidacy was more nearly sentimental support, the result of the actions in Taura?

[Vargas] What happened was that the Ecuadoran people gained awareness. There is no one who is unaware of what occurred with the country and its government then, and an event such as my denunciation and my protest could not do other than generate debate and a growing awareness. Had my action not intervened, that portion of history would have been written in a painful and unjust manner.

[VISTAZO] Normally, one chooses a person one admires, likes, and respects a great deal as a godfather for one's children, to the point that this individual could act as a kind of substitute father. This is the essence of the godparent's situation. Why did you choose Febres Cordero as a godfather, and what moral value do you assign to this relationship?

[Vargas] I never sought this relationship with Febres Cordero, but with his wife, Maria Eugenia, for reasons of deference and esteem. The defense of the national interests counts more than a commitment of this nature. Setting the personal aspect aside, I did what my inner feelings and my conscience as a citizen dictated. Let us give it this value, rather than judging it in irrelevant terms. I am proud of what I did and I have no regrets. I do not know about vengeance, but I do know about

justice. With regard to Mrs Maria Eugenia, she has my eternal affection and respect, because I do regard her as a godparent.

[VISTAZO] And would you be in politics if Febres Cordero had promoted you to the rank of general in the Air Force?

[Vargas] The president does not promote generals. The Armed Forces have their structures for this purpose—the Joint Command and the Supreme Council of the Armed Forces. What the president of the Republic does is to legalize the relevant decrees. I was chief of the Joint Command and I headed the Supreme Council of the Armed Forces. My promotion was not scheduled yet, but was due in May. The president could hardly order something which he was not authorized to do, either in terms of time or jurisdiction.

[VISTAZO] How is it possible that after such a serious clash with President Febres Cordero and his government, you are now welcoming prominent figures in that regime, such as the lawyer Carlos Julio Arosemena Peet, the former president of BEDE [Development Bank of Ecuador]; and the lawyer Alfredo Larrea Cuenca, former provincial director of the Social Christian Party?

[Vargas] Sectarianism does the country great harm, striking a blow against the great goal of unity and integration. The fact that Dr Carlos Julio Arosemena Peet belonged to the now extinct Nationalist Revolutionary Party, and that pursuant to political agreements, he served in the preceding government in certain administrative departments, does not mean that he endorsed its ideology nor that he was involved in its proposals. He served in a technical post which had nothing to do with political decisions. Where lawyer Larrea Cuenca is concerned, he was a Social Christian leader, but this citizen deserves credit for the fact that he resigned and withdrew in protest against and rejection of the way in which the fate of the country was being handled. There is no violation of ideological or moral principles in the fact that at a later date, people of the most diverse movements have joined us, responding to the appeal I made to all of the national forces.

APRE Leadership

[VISTAZO] Is it true that you made use of the political influence of your brother Rene in this government to get the Supreme Electoral Court to recognize you as head of APRE?

[Vargas] That statement is illogical if we realize that tomorrow, there could even be a political conflict based on the particular aspirations of my party and those of the party to which my brother belongs.

[VISTAZO] But it is being said that in the battle for power within APRE, you held a pistol to the head of the former director of APRE to force him to resign.

[Vargas] Don't you believe that this would already have led even to a trial, in order to sustain the hope of heading the party? There was no protest except after the fact, when in unprecedented fashion there was an effort to impugn my leadership, as determined by the Assembly in Cuenca. These dissidents remained within the party until the Assembly decided to exclude them.

Charges of Violence

[VISTAZO] Many people think of you as a violent and impulsive man, and believe this to be a very serious shortcoming in one who aspires to be president of the Republic.

[Vargas] I have had not only a military life, but a civilian one as well. People know me as an individual who has always been able to smile at life, to respect the rights of others, and to win their affection. An example is seen in the Armed Forces, and in the Taura episode in particular, where men, soldiers in a harsh regime, did what they did to liberate their commander. There is no violence in me, but rather a profound enthusiasm for matters of honor, personal integrity, and life.

[VISTAZO] But it is also being said that you personally attacked Dr Arturo Vizcaino Sotomayor, the legal adviser of Gen Luis Pineiros, in a workshop in Quito, despite the fact that he suffers from a physical handicap which affects his legs. What can you tell me about this?

[Vargas] Can you imagine that a man of my physique and moral character would strike a handicapped individual? And if this were true, why was I not brought to trial in criminal court? What proof was there of any such thing? These are unimportant reports which are part of a scheme to damage my public image.

[VISTAZO] There are those who say that you have created a shock troop out of a group of former Taura commandos who, extremely loyal to you and having found no permanent work, have become something like your bodyguards. Is this true?

[Vargas] Sir, I travel alone. I take buses, I walk about the city, and I have never had a bodyguard. Despite the military custom of wearing sidearms, I do not even carry a weapon. Now, it is logical that in the appeal I made to strengthen my political party, I addressed the military class. There are thousands of former soldiers in APRE who are playing an active role. If in the course of this participation, there is recourse to military training for some citizens so that they will be certain of the ability to defend themselves in the event that circumstances so require, I do not reject this. That is my answer.

[VISTAZO] However, these commandos are accused of having participated in violent scandals, such as those which occurred recently in the elections in the new province of Sucumbios.

[Vargas] I have denied this, but my statement was not published. I spoke at a meeting, and the audience listening

to me was assaulted with loudspeakers. I went down, and a supporter of mine responded with blows. Someone fell in what we might call a tumultuous quarrel, a street fight. I was indeed offended by the loudspeakers. I have been accused of innumerable things, there have been fliers calling me a military bully, and a whole jargon of epithets I cannot repeat have been applied to me. They have even called me a bastard. What was wanted was for me to succumb to the provocation and to react to it.

The Immediate Future

[VISTAZO] Will you run for a deputy's seat in the coming election, or is your political stature suited only for the presidential candidacy?

[Vargas] When one wants to serve his country, it can be in any post. It depends on where my party wants to place me. If I win any worthy post, let the people of Ecuador know that I am capable of performing my duties with the seriousness and the respect public office merits.

[VISTAZO] Will you now be able to rely on National Liberation [LN], which was the political and ideological base for your earlier candidacy?

[Vargas] We have the Patriotic Unity of the People, with National Liberation, the Socialist Party, the Frank Vargas Pazzos Movement, and others which are not governed by the agreement but are participants in it. National Liberation has a very important contribution to make toward achieving the nation's aspirations. Its members have the best kind of personal and political relationships with me. The TSE has violated the law with its failure to recognize a party which cannot be left in hiding, thus breaking the rules of the democratic game. The LN has met all the requirements. I hope that it will be recognized shortly, so that it can act freely within the legal framework for the political life of the country.

Ideology and Money

[VISTAZO] There are those who think that you lack an ideological profile, that your political thinking is rather unclear, or confused, or a mixture of many things.

[Vargas] APRE is a party of the national left. The prevailing system offers no solution to the underdevelopment and dependence which are manifested in various crises. Extremism is being replaced by intelligent and modern renovations. I do indeed have an ideological profile, but not like that of other parties whose thinking is put down in writing rather than being expressed in the lives of their members.

[VISTAZO] Who is financing the political activities of a General Vargas who travels all over the country, while holding no public post or having any known employment?

[Vargas] I travel by public transport, in the automobile of a friend, sleeping in the homes of friends and even in parks, in the car in which I travel. I have the help of friends and party members. Our propaganda is limited. On the other hand, sir, I do work, as a journalist. I have a pension from my military retirement which allows me to live decently. I have a small chocolate factory, in partnership with family members, and my wife works as well. I divide my time between politics and work which allows me to live in dignified fashion. After 36 years of service in the Armed Forces, after having served as a general of the Republic, I think it would have been proof of my lack of personal and intellectual organization if I did not have certain conveniences in my retirement.

Alliances and Government

[VISTAZO] What alliance policy will APRE pursue to consolidate the real potential of your presidential candidacy?

[Vargas] At the present time, we have the UPP. Within this space, we are perfecting our political program, which must be neither theoretical nor impractical. On this basis, we are attempting to establish a great political force which will make it possible to pacify the country and develop actions of great importance. All of this is unrelated to the kind of painful connivance designed to promote social injustice.

[VISTAZO] How do you believe the Armed Forces view your political action?

[Vargas] I think its members are proud that a military officer, following the conclusion of his career, is continuing to serve the country in a positive fashion, taking advantage of the training we receive in all sectors of human life.

[VISTAZO] And how do you view the government—with gratitude, with support, or with simple democratic respect?

[Vargas] I create no scandals, nor do I overstep the norms of political respect to analyze or criticize any error by the government. This is true with regard to the cost of living and the foreign policy, where the foreign minister is more concerned with the international forums he attends than with defending the theses which have priority in terms of national sovereignty. We have been harsh in our criticism of the increase for the family food basket. But in order to act in the opposition in this country, a great deal of money is needed. There are those who make use of national chains to attack the government, like the former president of the Republic who pretends "to be the opposition." We have expressed a vigilant and independent attitude, but our political action is civilized. I cannot offend the president or his ministers with insolent or vulgar remarks. I cannot put myself in the Social Christian position which seeks to make the country believe that this government is to blame for all of the national evils, to pretend that in 1 year, this government should resolve everything. I place the blame with an entire historic process, and, more specifically, with the governments of Hurtado and Febres Cordero in this decade. Nor do I excuse this government, which lacked the political decision to judge

the government of Febres Cordero. It is not that government power favored anyone or weakened him, but rather that the national conscience has been awakened in the light of recent history. No decisions have been made to implement what was promised in the electoral campaign, such as nonpayment of the debt. Why was this said, when the earlier government failed to pay the debt service, while this one is paying it? It was said that the price of fuels would not go up, as well as innumerable other things which have not come about. This is bad. There have been good intentions in connection with such social problems as literacy, since the country became aware of the problem and a dialogue between the illiterates and the students was initiated. The desire to pacify the country on the basis of dialogue with the subversives is positive. Would that all of us in this country could engage in politics in civilized fashion! But also, the government leaders must abstain from abusing power, thus preventing the people from being forced to exercise the right of rebellion which we enjoy.

[VISTAZO] And what is your opinion of the governmental alliance?

[Vargas] We cannot say "the Social Democratic government," but must say "the government of the ID-DP [Popular Democracy] alliance, instead." I do not mention the FADI [Broad Front of the Left], because its participation has had little importance. Dr Borja rejected its proposal and its people, and gave Popular Democracy the more important areas. There one sees evidence of the proposals of that party, and not those of the government. An agreement was reached in terms of the main goals, but it all came down to an uproar, in both the ID and in the DP, with the discovery that there was no program at all. Later there was talk of an end to the pact, but it has continued unchanged. This pact has confused the public. It has not been the subject of any evaluation, and decisions were made in the legislature preventing any check on it in the light of the actual facts, the interests of the country, and the lack of consistency with the political agreements. This agreement discredits the Congress and has done harm to the parties which subscribe to it, and it is opposed to the national interests.

The Electoral Future

[VISTAZO] During your earlier campaign, you obtained very enthusiastic support in the mountains and in Manabi. Comparatively, Guayas gave you few votes. How do you plan to win over an electorate which is apparently divided between the Febres Cordero rightists and the populism of the Bucaram faction?

[Vargas] After the mystery of the Santa Elena Peninsula, and subsequent to the Manabi case, where 150,000 citizens failed to register but then voted on the second round, I cannot agree with these results. On the other hand, I believe that because of what was seen on 9 October, and despite the propaganda efforts and all that was spent, Febres Cordero and the Bucaram people failed to obtain a response. They are not the force they imply they are. We have the desire for struggle and clear objectives. For this reason, we are proceeding to consolidate, and the polls support us. I believe that the scenario in the province of Guayas will indeed be shared with us.

[VISTAZO] How do you view a possible reentry into politics by Leon Febres Cordero, as a participant in a campaign to support the electoral hopes of a right wing which is anxious to return to power?

[Vargas] They are grasping at a weakened figure seated in the dock, a defendant with a popular verdict against him, a man who wants to legalize the sale of drugs in Ecuador. I believe that he is a very vulnerable individual, and that this is going to be evident in the electoral campaign, whatever the post to which he aspires.

[VISTAZO] What would your attitude be if the people seated both you and him in the National Congress?

[Vargas] I am indeed capable of respecting the majesty of the legislature, but I will say that I can never allow anyone to violate my physical or moral integrity. I know how to behave with dignity and honesty, without letting myself be provoked, whatever circumstances arise. I will know how to be a patriotic deputy, and I will not behave like a prize fighter or a gunman, because that is not my role.

[VISTAZO] How do you view the possible presidential candidacy of the lawyer Jaime Nebot Saadi?

[Vargas] He is a part of the weak functioning of this democracy. I say this because men should be qualified before they go into politics, at least in terms of the historic evidence of accomplished facts. Those who have been censured for violations of human rights and the Constitution cannot claim today to be model citizens, while at the same time they go out to civic rallies and behave in obscene fashion before thousands of their fellow citizens.

[VISTAZO] There are those who express the view that the candidacy of Abdala Bucaram will divide the right wing in Guayas. To what extent is an agreement between APRE and PRE possible?

[Vargas] I have said that with the Patriotic Unity of the People, we occuoy a clear and well-defined space. Before expressing any view on this, I would have to meet with this party council and make a decision based on what will work to the benefit of the national interests.

[VISTAZO] Just one more thing. What will happen to your political career if you lose in the coming election?

[Vargas] Withdrawing when one has lost a battle means failing to understand what one is fighting for and failing to accept responsibility for the chosen path. I have a strategy which is not limited in time. I will continue to wage the struggle as long as life allows me.

*** Former President Febres' Indictment Debated**

*** Recent Developments**

90ET0139A Quito VISTAZO in Spanish
25 Jan 90 pp 4-9

[Article by Patricia Estupinan de Burbano: "The Febres Cordero Case"]

[Text] Leon Febres Cordero Ribadeneyra, 32nd constitutional president of Ecuador, now faces the possibility of spending 4 to 8 years in prison for the crime of embezzlement. For Supreme Court Chief Justice Ramiro Larrea Santos, who is presiding over the trial investigating the use of a $150,000-donation from the Central Bank to the Office of President on 29 December 1986 to hire the services of Israeli expert Ran Gazit, "Not only did he proceed arbitrarily in ordering the expenditure of the $150,000 in violation of several provisions of the public financing law, but there is insufficient evidence regarding the hiring of Ran Gazit, showing, for example, that he ever actually worked as an adviser to the Office of President." Consequently, there allegedly occurred "a misuse of public funds and public office," a crime which Article 257 of the Penal Code labels as "embezzlement." An order has therefore been issued for the former president to be taken into custody and he will have to stand trial.

Arbitrary Handling

For the chief justice, "there has clearly been established a series of violations of legal regulations contained in Ecuadorean public finance law, committed by Leon Febres Cordero for the purpose of having the Central Bank of Ecuador turn over to Miguel Orellana, his former private secretary, the sum of $150,000 in cash-...for the express purpose and with the unequivocal result of preventing government auditing agencies from carrying out their functions of administrative verification to ensure proper handling of public monies." These violations allegedly include the following: First of all, a donation was requested without proper documentation to justify it. The money was turned over in cash even though this is specifically prohibited by law. Furthermore, once the funds had been withdrawn from the Central Bank's coffers, it was not deposited in the accounts of the Office of President. An examination of the books of the Office of President from 1 November 1986 to 9 August shows "no entry whatsoever for $150,000 in payment for technical consulting and advisory services for the development of communications and private security systems. Nor does there exist any contract of services for such a purpose."

In his own defense, the former president argues that the handling of the contract was secret because of its very nature. Febres Cordero alleges a "fraudulent mutilation of Central Bank files." He adds that he did not use the emergency account because it had been exhausted and that he requested "a donation because the fiscal coffers were empty. Oil had dropped to $7 and the Central Bank had profits."

However, the judge arrived at the conclusion that no documents were provided. When asked whether he had any written or verbal communication with the president of the Republic or chairman of the Monetary Board on the donation that is the subject of this trial, other than the memorandum signed by the assistant secretary general of administration, former Central Bank manager Carlos Julio Emanuel said, "I do not recall any other written communication."

Donation vs Emergency Funds

Nor did the judge find convincing Febres Cordero's arguments about why he did not draw on the emergency fund specifically earmarked for secret matters. The emergency account was exhausted on 13 separate occasions in 1986 and the Ministry of Finance certifies that the overdraws were always paid. "There was a clear intention to avoid any audit of the real use of the $150,000 in requesting a donation....The emergency funds were not used even though it was possible, in view of the fact that the administration of these funds (even though reserved) was under the supervision of the Auditor's Office. Such an inspection was thus avoided, or at least this was the result. The funds (from the donation) were not deposited in the emergency account even though this was also feasible, in order to avoid such an audit. The money was ordered to be issued in cash and in dollars, with full knowledge that it was an unusual procedure and that a check drawn on the Central Bank could have been used to show the real beneficiary of the check." The chief justice concluded that for work he did privately for two banking institutions, Ran Gazit was paid by check.

Gazit Hired?

Another of the arguments cited by the judge as a basis for ordering Leon Febres Cordero to stand trial for embezzlement was the fact that there is no evidence to indicate that Ran Gazit was hired by the Office of President or that he did any work as an adviser. "Work of the dimension that is claimed to have been done would necessarily have to be described in some kind of report with recommendations that would certainly be valuable and important for the security of the Ecuadorean Government. Nothing of the sort has been presented during these proceedings." In his defense, the former president repeatedly maintained that the work was secret. "In the fight and activities aimed at terrorism, contracts are not signed and there is no written account. The contract may be verbal or written. The contents of the receipt included in the proceedings can only be explained in terms of the amount and the work done; how it was done and during what period is secret." Febres Cordero explains the absence of such documents by citing the regulation on the drafting, administration, and custody of certain official documents issued on 13 March 1954. The chief

justice counters that that regulation defines the documents as "top secret, secret, confidential, and reserved" and establishes a procedure that authorities must follow in handling each type of document. "What is important in the case at hand is to emphasize that the regulation so frequently cited by Febres Cordero is based on the presumption of the existence of documents, which is precisely what does not exist in the case of Ran Gazit. The fact that Ran Gazit's work was declared secret should have been no obstacle to its description in a documented report, and in a case of the tightest security causing the documents to be destroyed, the regulation in question provides for a special procedure to be followed."

The only documented evidence of a contract with Ran Gazit is a receipt which former private secretary Miguel Orellana included in his defense. The receipt was notarized in Miami by Ran Gazit before a notary in that city. However, the judge ruled that it could not be admitted into evidence because it was a photocopy, which cannot replace a private document as public evidence. He added that the fact that the photocopy was notarized only means that the American notary certified "that he did see it and affixed his signature to it, but nothing about the truth of statements it might contain."

Ran Gazit's Work

In the record, Larrea finds contradictions in Febres Cordero's testimony and denials by key personnel in the Office of President and top military officials of activities said to be carried out by Ran Gazit, leading the judge to doubt whether the Israeli expert did such advisory work. There are three essentially distinct purposes in documents on the contract, the receipt, and statements by the former president with respect to Ran Gazit's activities. The request for the donation refers to "consultation and technical advice for the development of communications and reserved security systems." The receipt adds: "evaluation of the situation of terrorism in Ecuador and its connections with the rest of the world," and statements by Febres Cordero mention "advice on the antiterrorist struggle undertaken by the Office of President."

Furthermore, if the advisory work was done on the communications systems in the Office of President, Patricio Quevedo, secretary of government, and General Marcelo Delgado, military chief of the Presidential Residence, should certainly know about it, particularly since the general is responsible for the chief of state's security! Nevertheless, in sworn statements the two claim to have no knowledge of such work. Furthermore, Quevedo does not even know Ran Gazit and Delgado "met him once when going to see the president."

In his defense, Febres Cordero argued that advice on communications and security systems does not necessarily imply "the physical installation of equipment. In semantic terms, 'system' means a set of related rules or principles on a specific matter, all contributing to a specific objective." He added that "advice" is defined as providing advice or opinions and that "such was precisely the work done by Ran Gazit and for which he requested the donation from the Monetary Board." However, Larrea Santos says, with respect to national security it is the duty of the president "to have the advice and direct cooperation of the National Security Council and the Armed Forces Joint Command as the organ of planning and execution." According to an official communication from the Armed Forces Joint Command and signed by Admiral Hugo Unda, such assistance was not rendered. "The Armed Forces Joint Command has no knowledge of the matter," the note reads.

Finally, the judge stated that if the advisory work was done for the Office of President, Ran Gazit would have had to have a permit from the Israeli Embassy, as required by that country's law, and no such permit was issued, according to public statements by Israeli Ambassador Abraham Setton. "I have never seen Ran Gazit." Such a record is not required when citizens act as advisers on private activities, as Gazit reportedly did for Filanbanco, according to attorney Ney Valero, head of that institution's legal division. Gazit worked as an "instructor for the department of security." This precise fact heightens the judge's suspicions about Ran Gazit's work for the Office of President. "If the work was completed in November 1986, one has to assume it began several months before that....If Gazit was truly working for Filanbanco, it is totally inadmissible for him to have been in charge of such delicate, complex work as that relating to communications and security systems for the Office of President, national security, analysis of national terrorism and its international connections, and control of subversion for the purpose of maintaining 'peace in the country,' while at the same time working in Guayaquil."

Formal Accusation

All this evidence led Chief Justice Ramiro Larrea Santos to accuse former President Febres Cordero and his former private secretary Miguel Orellana of embezzlement.

Controversy

A political controversy has overshadowed the purely legal aspects of proceedings against the former Social Christian president. Debate rages over political benefits and damage of the action. Hypotheses abound on both sides: The Social Christian Party benefits because "Leon is a victim and Nebot will capitalize on it in the elections. Leon is hurt because they will not let him participate in the coming elections." The independence of the Judicial Branch is questioned and confirmed: "It is a conspiracy of leaders from the mountains against a former president from the coast and the Judicial Branch has sold out for a budget allocation of 1.6 billion sucres. There can be no doubt about the probity of Ramiro Larrea Santos, a political independent from the coastal region, a rare exception in the judicial hierarchy."

Debaters wonder whether former President Febres Cordero should be tried for "such a paltry sum of money." Or, as the presiding magistrate asks, "Does this mean that presidents are above the law when it is a question of minor sums or, precisely because they do represent the highest office in the land, they must set an example?" Controversy rages over whether an administrative sanction would have been appropriate or whether there was any fraud. Aside from the controversy, legally speaking—and this is a legal process whose validity was accepted by former president Febres Cordero in appearing before the court—the hiring of Ran Gazit has not been proved. In order to dissipate doubt, Ran Gazit's statement is essential. The Israeli expert is the key to this complicated case, whose outcome will have an unsuspected historical impact.

The country awaits the outcome of this unprecedented case in the judicial history of Ecuador now before the Supreme Court. The ruling of three justices chosen by lot will determine the fate of the former president, who faces the loss of his freedom for a number of years or who may choose not to surrender, in which case the trial would be suspended for an undetermined length of time.

* Defense Lawyer on Case

90ET0139B Quito VISTAZO in Spanish
25 Jan 90 pp 6-7

[Interview with defense attorney Alfonso Zambrano by Carlos Jijon; date and place not given]

[Text] [VISTAZO] On what grounds are you appealing the order for Febres Cordero to stand trial?

[Zambrano] Basically because, based on the evidence and testimony, we were able to prove at the trial that Febres Cordero acted in accordance with the law. Payment is no longer questioned, which means that Ran Gazit is absolved. This implies admitting that Ran Gazit exists, that he charged for his work, as a result of which he is absolved.

What are they questioning? Febres Cordero's power and legitimacy to contract for work in the area of national security. They claim there is no proof of the work. I maintain that proof of the work lies in the fact that Febres Cordero eradicated terrorism. That is the evidence. It has been proved that Febres Cordero did a job within the framework of the constitution. That is the proof: Terrorism was liquidated.

There did exist a contract. If it is considered that it was illegitimate, then they should try the person who collected, but he is not on trial.

[VISTAZO] Actually, what the chief justice doubts is that Ran Gazit was paid. That is why he is absolved, because in the opinion of the judge he never did any work and never was paid. He thinks it is an alibi.

[Zambrano] If Ran Gazit is legally absolved, then they are recognizing he exists. If the chief justice doubts he was paid, he should have said so in the ruling, but he did not. What they are questioning here is the power of the person hiring him, why payment did not come out of the reserve funds.

[VISTAZO] That is not true. The judge clearly states in the ruling that it was not shown that Ran Gazit was paid.

[Zambrano] During the proceedings, there was proof of the documents signed and accepted by Ran Gazit. He went to a notary in Miami and agrees that it is his signature, that he did sign the documents. He accepts and admits that on the date when payment was made, December 1986, he collected money. Those documents were legalized before a notary. The notary confirmed it: The evidence of payment is contained in the document.

[VISTAZO] The judge does not accept the receipt as valid because it was a photocopy. The fact that it was notarized does not give it any value whatsoever. The notary certifies that the document exists, not that statements contained in it are true.

[Zambrano] The falseness of a document may be material or ideological. The falseness would be material when, for example, it was not signed on the date stated in the document. It is ideological when what is stated in the document is a lie, such as when someone says he is selling but is actually making a gift. The chief justice does not question the ideological content because he does not so state in the ruling.

[VISTAZO] Yes, he does.

[Zambrano] If he had the sensitivity to be consistent with the decision, he would have placed Ran Gazit on trial based on ideological falseness, if the notary lied.

[VISTAZO] Changing the subject, if it was a secret operation relating to the government's domestic security, why did they ask for a donation from the Central Bank rather than use the emergency fund?

[Zambrano] Because the emergency fund budget did not permit it. It would have been feasible to take the money from the reserve fund, but that is not permitted by law. It would have been easier for Febres Cordero to take that option and use those funds because then there would have been no followup. It would not have mattered who was paid or for what. It would have been easy, but the law did not allow it.

[VISTAZO] If we allow that Ran Gazit was paid, what work did he do?

[Zambrano] Revealing what work Ran Gazit did could compromise the country's domestic security. He did technical, advisory work. He gave the information to a team headed by Febres Cordero. Only that team knows exactly what work Ran Gazit did. The results, that terrorism was terminated, are undeniable.

That work group was a crisis team. It was made up of persons close to Febres Cordero. They are the only ones who know Ran Gazit's work.

[VISTAZO] The chief of the Joint Command stated during the proceedings that he had no knowledge of work allegedly done by Ran Gazit.

[Zambrano] The National Security Law empowers the president to consult with the Armed Forces Joint Command when he deems it pertinent. It does not force him to do so. If Febres Cordero did not consult the Joint Command to hire Ran Gazit, he was making use of his discretionary powers.

[VISTAZO] The National Security Law requires the president to have the advice of the National Security Council.

[Zambrano] That is not true; the law does not state that. "He will convene" means he may or may not summon it.

[VISTAZO] The term "will convene" is imperative; the law orders it.

[Zambrano] No. When the president deems it necessary.

[VISTAZO] Is it customary for the Armed Forces Joint Command not to be informed when a foreigner is working in the area of national security?

[Zambrano] Let us not talk about whether or not it is customary. That is subjective. The president was legally empowered to do so. I wish to point out something to you: The Armed Forces have remained silent, which to me means they confirm they did know of Febres Cordero's work. They did know about his hiring. No general has appeared to question the hiring or the payment, much less the work.

[VISTAZO] But in the judgment, they say they did not know of it.

[Zambrano] They answered that there is no document on any consultantship, but such consulting can be oral and written. What no one questions—and I must emphasize this—is Febres Cordero's success in his fight against subversion. That is what justifies the payment of the $150,000.

[VISTAZO] Another of the chief justice's lines of questioning was how Ran Gazit could do delicate work relating to state security at the same time he was training bank guards in Guayaquil.

[Zambrano] That depends on one's capacity for work. If they truly had doubts about Ran Gazit's work, why not make him stand trial—if the judge thinks he is a liar, that he falsified the truth, that he forged a document. As soon as Ran Gazit is absolved, one admits he did perform work.

[VISTAZO] Not necessarily. Furthermore, the stay is provisional.

[Zambrano] Look, those of us in the profession know that issuing a provisional stay means admitting he is innocent. That is what it amounts to: that it can be revised, that if it is not revised in 3 years, it becomes final. That does not affect the substance. They have recognized that Ran Gazit was in the country, that he performed services for Filanbanco, for the Bank of the Pacific. If he is innocent, it is obvious that Febres Cordero is also.

* Chief Justice Comments

90ET0139C Quito VISTAZO in Spanish
25 Jan 90 pp 8-9

[Report on interview with Chief Justice Ramiro Larrea Santos by Mariana Neira: "There Is No Evidence Supporting His Innocence"]

[Text] "When Mr Febres Cordero says he is an honest person, I do not question his honesty, but he unfortunately has to prove that honesty. I have arrived at the conclusion that there is no evidence to support his innocence and have therefore issued the order that he stand trial, which includes his being taken into custody and prohibited from transferring property," VISTAZO was told by Supreme Court Chief Justice Ramiro Larrea Santos following a ruling that shook the country.

In the chief justice's opinion, no one can receive $150,000 from the government without preliminary approval and without any accounting of what was done with the money. Mercedes Gomez de Loor, former assistant secretary general of administration, said the money was used to pay Ran Gazit for security and communications services about which Patricio Quevedo, former secretary general of administration, and General Marcelo Delgado, former military chief to the presidency, said they had no knowledge.

According to Larrea Santos, it was then stated that the money had been spent on the fight against terrorism and subversion, but according to Article 6 of the National Security Law, not mentioned in the charges, "The president will receive the advice of the National Security Council." "I asked the chief of the Armed Forces Joint Command, Admiral Hugo Unda, to testify whether the records make any mention of such a security plan and he replied, 'We know absolutely nothing.' Then what were the $150,000 spent on? The chief of state had to consult the Security Council or simply hire mercenaries who, acting on their own and responsible to no one else, would begin the fight against terrorism? I find that a totally strange solution because there are laws in this country."

No Evidence

The chief justice then explained why the former president was accused of embezzlement: "No one is saying that Mr Febres Cordero pocketed the $150,000, but that is not the only meaning of embezzlement. There is also the inability to account for how money was used." For

emergency expenditures or top secret operations, regulations also provide for accounting procedures, "but here there is no trace of anything. They say the originals disappeared. How can they simply vanish? They say they turned them over to the manager of the Central Bank, Mr Emanuel, but he says, 'I received no written order other than this one.'"

Under these circumstances, the chief justice ordered that Febres Cordero be taken into custody. "I didn't order him to go to prison just because I felt like it."

He explained that he was not handing down a ruling because the trial is not over. "I am calling for a trial in order that Mr Orellana and Mr Febres Cordero have an opportunity to prove their innocence. I have confirmed the crime and the presumption exists that these two individuals are coauthors of the crime. If they have proof to the contrary, they have but to present it. I am not against anyone."

The chief justice then said that Ran Gazit could even appear. "He can come and say, 'Yes, I did do that work. Come with me and I'll show you what I did.' Evidence and presumptions to the contrary include the fact that simultaneously with the alleged contract with the government, Mr Gazit was working for Filanbanco and the Bank of the Pacific." When it was observed that Gazit could have turned over the work for the government to other persons, Larrea answered, "That is possible, but it does not say that here. That is the problem." When asked why he did not summon other security personnel who claim that Gazit did train them to testify, the chief justice asked, "Why didn't they say so during the trial? Mr Febres Cordero could easily have asked to have their statements taken and presented the teams." Concerning the possibility that testimony is being kept back for political purposes, the chief Justice said, "That is beyond the province of a judge. During the trial, certain procedures will take place to prove responsibility or innocence."

After the appeal, the process will move to one of the chambers of the Supreme Court. If that chamber confirms Larrea's ruling, the case will come back into his hands.

Political Implications

It was suggested that the ruling on the eve of elections would hurt the ID [Democratic Left] and help the Social Christians. "One side says that and the other claims political persecution. That gives an idea of our independence. The National Government has never interfered in the conduct or outcome of legal proceedings. What would have been said about me if I had not resolved the matter? That it was politics. Then if I do issue a ruling, they still criticize me and call me 'Judas.' That is an insult to the judicial function which I reject, because I did not sell out for 1.5 billion sucres" (budget increase approved by Finance).

The chief justice said that when Febres Cordero said on television that "I, and no one else but I, am responsible," "the least he could have done, using basic legal logic, would have been to incorporate it into the trial so that what he was saying on TV he would say and prove at the trial. Otherwise, he was denying justice. The only evidence presented was a notarized copy of a receipt which has no value as a public or private document. The original does not exist, whether they went to Lima or the United States. The notary's function is to write down and notarize everything we are saying. He certifies what we are saying, not the validity or veracity of what we are asking him to say."

If the former president had not spoken on television, would the result have been the same?

"If we had continued our investigation, possibly yes, because Mrs Mercedes Gomez de Loor says she requested the money on orders from the president. According to Article 39 of the constitution, all public officials are responsible for their acts."

Larrea Santos reminds us he gave Febres Cordero an opportunity to prove his innocence. "He wanted to give his testimony in Guayaquil and that is what he did." Consequently, "my conscience is clear."

The chief justice denied he was motivated by hatred: "I try to be as fair and impartial as I can. But what happens is that there are groups in this country who think their opinion must prevail over and above the law, justice, and truth, and when someone goes against that mental framework, they resort to insults. One who hands down justice cannot argue with the accused based on insults, but must use legal arguments. They, the politicians, are the ones trying to politicize justice. I am not a politician. Around 1969, I tried to identify with the Christian Democrats, but since a group of young people thought the only way to engage in politics was through elections, I dropped out. It has been nearly 20 years since I have had any connection with or preference for any political party."

However, the chief justice does confess holding a doctrinal ideological structure: "We human beings have to find our place in life. I have always been involved in social-type activities with the workers. I have no political aspirations. My vocation throughout my life has been as a university professor, and every Friday I go to Guayaquil to give classes. Public office is a real sacrifice and cross to bear because as long as I have been involved in it, I have had this kind of problem, because I try to uphold the law, transcending any other consideration, something which people in this country can apparently not forgive. You always have to be dependent upon certain interests. With complete modesty and humility, I can say I have never bowed before those who act or believe themselves to be powerful."

Has he ever been threatened? "They call my house in Guayaquil, and my family, but don't worry about me. I do not believe that doing such a job can have repercussions on a family that has absolutely nothing to do with the affair."

Peru

Army Aviation Receives 14 Soviet Helicopters

PY2003201290 Lima Television Peruana in Spanish 1700 GMT 20 Mar 90

[Excerpts] President Alan Garcia reiterated his confidence in, and support for the Armed Forces, the pillar of Peruvian democracy.

President Garcia made this statement during a ceremony in which he formally delivered Soviet-made helicopters to Army Aviation. [passage omitted]

During the ceremony General Jorge Zegarra Delgado, commander of the Army Academic Centers, stated that the delivery of 14 Soviet MI- 17 helicopters represents a very important landmark in the history of the Peruvian Army, from the qualitative and quantitative viewpoint. These helicopters will be used in the struggle against extremism in the interior of Peru. They will be used mainly as logistical support for the land combat forces and for evacuating any casualties from combat areas. [passage omitted]

Terrorists Announce 'Armed Stoppage' in Huaraz

PY2003144590 Madrid EFE in Spanish 2142 GMT 19 Mar 90

[Text] Lima, 19 Mar (EFE) — Military and police forces today are patrolling Huaraz, capital of Ancash Department, because of a threatened three-day "armed stoppage"—a strike under the threat of death—called by the Shining Path terrorist group for tomorrow.

However, Ancash Department, on the southern border of Lima Department, is not under a state of emergency, as are other areas of the country still plagued by terrorists.

According to press reports in Lima today, members of the Shining Path group have distributed pamphlets in the Huaraz market places threatening to kill those who open their stores.

This new announcement by the Shining Path of an "armed stoppage," designed to create uncertainty before the 8 December [as received] presidential and congressional elections, is the third such announcement in Ayacucho, capital of Ayacucho Department, and Huanta, in the same department, where no acts of violence were reported.

The previous call for a stoppage in Ayacucho city, 12-13 March, was observed by the people after threatening pamphlets were distributed among them.

Nobody went to work those two days, except for a few market vendors, despite Army and national police patrols.

Activities in Huanta city were also suspended 15-16 March because of the announcement of a new "armed stoppage" in that town in Ayacucho Department.

According to the Ayacucho weekly, SI, elections in Ayacucho will be difficult because until last Thursday, 15 March, nobody knew who would be in charge of the polling stations nor where they would be located.

Alfredo Huamani, president of Ayacucho Department electoral court, lives at a military garrison in the city and, so far, no Ayacucho province has received material for the elections. There are 241,800 voters in this department.

A total of 11 polling stations will be set up in Ayacucho city and they will be guarded by Army and police personnel.

Municipal elections were held in Peru on 12 November. However, in Huamanga province of Ayacucho Department, where Ayacucho city is located, the elections were annulled because the number of null and blank votes surpassed 50 percent of the total votes cast.

Inspector General Ruben Romero Sanchez, national chief of police, today disclosed that the police and Army are constantly patrolling Lima and the provinces in view of possible terrorist attacks.

He added that in the next few days the police and Armed Forces will be put on alert in order to "guarantee a perfectly normal electoral process."

Romero also said that departmental and provincial electoral authorities and members of the national electoral court in Lima have been under protection since before the municipal elections last November.

Some 80,000 policemen throughout the country are safeguarding the electoral process. Some 16,000 to 18,000 of this total are stationed in Lima. An undisclosed number of military personnel will join the police in this task.

Police Arrest 5 Terrorists as Attacks Intensify

PY2003174390 Madrid EFE in Spanish 0319 GMT 20 Mar 90

[Text] Lima, 19 Mar (EFE)—Peruvian Police in Lima today arrested five alleged terrorists, who set fire to four public service buses and dynamited the municipal bus garages 20 days before the presidential elections.

The attack occurred a few hours after General Ruben Romero Sanchez, chief of the National Police, announced that at least 2,000 policemen are patrolling Lima to prevent attacks by the Maoist Shining Path and the Tupac Amaru Revolutionary Movement (MRTA).

A police spokesman has reported that a patrol clashed with several alleged terrorists after they hurled dynamite sticks into the Urban Transportation National Enterprise (Enatru) warehouse. The attack caused considerable damage.

In the clash, which occurred in Comas District on the outskirts of Lima, police captured five people. According to preliminary investigation, the five people could be members of the MRTA.

Other groups, apparently MRTA members, set fire to four buses—three belonging to Enatru and one a private inter-province bus. In all the attacks, the terrorists made the passengers get off and then hurled incendiary bombs into the buses, police reported.

One of the buses was burned at El Callao Port; two at Ventanilla resort, where the largest Peruvian oil refinery is being built; and a fourth at the San Martin de Porres District, near the garrison of the Peruvian Army Motorized Division, the most important in Lima.

On 16 March, Interior Minister Agustin Mantilla warned the people that the terrorist groups will intensify their activities as the 8 April presidential elections approach. He also revealed that there is a conspiracy to murder the candidates.

He said that the terrorists "intend to disturb and prevent the electoral process" through crimes and attacks.

The Shining Path group started its terrorist activities on 18 May 1980, when Peru held its first general elections after 12 years of military administrations.

Uruguay

U.S. Carrier Causes Surprise, 'Concern'

PY2003222690 Montevideo EL DIA in Spanish 12 Mar 90 p 1

[Excerpt] Last night a highly-placed Navy source revealed to EL DIA that the presence of the U.S. nuclear aircraft carrier Constellation within Uruguayan territorial waters has surprised the Uruguayan naval forces and caused concern. The authorities learned of the carrier's arrival when they were invited to visit the ship. The normal procedures and channels were not used.

The surprise "visit" was reported to Foreign Minister Hector Gros Espiell, who, upon returning from Chile last night, instructed Navy Chief of Staff Vice Admiral James Coates to gather all the information possible on the warship's position, characteristics, complement, and guns, as well as the format and recipients of invitations extended by a high-ranking official at the U.S. Embassy in Montevideo.

Diplomatic and military sources have pointed out to EL DIA that, in similar cases, the U.S. Government normally announces the arrival of its units several days in advance. That was not the case this time. Data from reliable sources disclosed that several ministers of state, legislators, and the Armed Forces chiefs of staff were invited to board the carrier, and that there are two positions regarding those invitations.

Official sources have said that a Navy airplane will take off this morning, head for the carrier, and check its anchorage location. [passage omitted]

Strike Against Economic Measures Announced

PY2003185190 Madrid EFE in Spanish 1609 GMT 19 Mar 90

[Text] Montevideo, 19 Mar (EFE)—The main Uruguayan labor organization today called a general strike for 22 March. The purpose of the strike is to protest the new economic measures implemented by the administration of President Luis Alberto Lacalle who took office on 1 March. The three-hour strike will be held to protest the increase of income tax, value-added tax, real estate tax, fuel prices, and other hikes.

The bill containing the fiscal adjustment measures was sent to Congress for approval last week, arousing criticism among businessmen, politicians and workers.

Esteban Nunez, leader of the Inter-Union Workers Plenum - National Convention of Workers (PIT-CNT), announced that, in addition to the strike, there will be a demonstration and rally in front of Congress.

The labor leader stated that the announced economic measures "have outraged the people because once again the working class will suffer the most."

According to Nunez the economic measures of the new administration "will cause, to begin with, a 10-percent reduction of the purchasing power of salaries."

President Lacalle's administration has proposed a plan for a harsh fiscal adjustment which includes an increase of the tax on salaries from one to four and a half percent and an increase of the value added tax from 21 to 22 percent.

The economic plan of the Uruguayan administration also calls for additional taxes on real estate, heavier taxes on sales of houses, and a 30-percent increase in fuel prices.

Venezuela

Perez Announces Conclusion of Debt Renegotiation

PA2003192590 Madrid EFE in Spanish 1748 GMT 20 Mar 90

[Text] Caracas, 20 Mar (EFE)—Venezuelan President Carlos Andres Perez announced today the conclusion of the process of renegotiating Venezuela's foreign debt for a total of $21 billion, with an average discount of 25 percent.

Perez stated on a television network that an agreement was reached with an advisory committee of the 450 credit banks of the country. This will represent a significant reduction in Venezuela's foreign debt.

The Venezuelan president noted that the agreement will permit the country to resume its economic growth and to obtain an average 25-percent discount.

"We have not found a panacea, but it provides us with the tools to pave the way for development in keeping with the nation's investment plan," Perez stated.

He said that the refinancing agreement opens the doors of international financial markets to Venezuela and increases the possibilities of attracting a higher level of foreign investment.

Venezuela will never again have to pay $5 billion for the servicing of its debt, as it has up to now, he added.

Perez stressed that the agreement includes repurchasing the debt at a discount, which signifies a 55 to 60-percent reduction.

The agreement also establishes a permanent reduction in principal and interest, a temporary reduction in the servicing of the debt, and fresh funds, although the funds are to be obtained in a small amount because they mean a bigger debt.

Another of the alternatives anticipated in the agreement is the issuing of bonds, similar to the so-called zero coupon bond of Mexico, but at a 30-percent discount and a seven-year grace period for payment.

Perez, Castro Meet in Brazil; Conduct Interview

PA1603185090 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 16 Mar 90

[Text] President Carlos Andres Perez will return home today after attending the inauguration of Brazilian President Fernando Collor de Mello. The president's agenda for the day includes a private meeting with the new Brazilian chief of state. President Perez' activities in Brazil included a special meeting with Spanish Prime Minister Felipe Gonzalez and Cuban President Fidel Castro. Our special correspondent, Noralba Jimenez, comments on details of the meeting and the direction that Brazil will now take under new leadership.

[Jimenez, in progress] ...here in Brazil, where the appropriate scene was set for the inauguration of Fernando Collor de Mello. Rumors that have circulated, despite the three presidents' secrecy, indicate that Perez and Gonzalez emphatically said that Cuba should come into harmony [as heard] and Castro should choose either the path chosen by Gorbachev or face the threat of an explosion on the order of the one faced by Ceausescu in Romania. Those are his options.

[Begin recording] [Perez] No, we did not go there to ask or demand anything of Fidel Castro, nor did Fidel Castro ask anything of us. We went there to discuss, to exchange viewpoints on the new world situation.

[Reporter] How did the talks go?

[Perez] Magnificent. It was a very good meeting.

[Reporter] Do you feel that you are becoming isolated?

[Castro] Less isolated than ever. Look, we do not feel alone, but neither are we afraid of being left alone. I am the kind of man who fights, even when alone. I was alone when I was with my men in the Sierra Maestra, after the landing of the Granma, and there was nothing more than two rifles and three men. At that time, anyone could have found a million reasons to withdraw from the struggle, and not even then did I do so. Now we have millions of people in our country. [end recording]

Nicaragua's Ortega Discusses Transfer of Power

PA1903170990 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 19 Mar 90

[Text] According to President Daniel Ortega, the appropriate conditions do not yet exist in his country for a peaceful transfer of power. He made those remarks during a stopover at Simon Bolivar International Airport in Maiquetia following a meeting with Venezuelan President Carlos Andres Perez.

Daniel Ortega answered only 10 questions and was able to summarize the current situation in his country. He said that the political situation is critical and extremely tense, and that there is unrest among the people. The economic situation is very serious due to—he said—the U.S. trade embargo, which had consequences that will probably require compensation. Ortega said that the contras have still not demobilized, and that the Sandinists are holding firm, as their forces will continue performing the duties dictated to them by the Constitution; that is, defending and protecting the integrity of Nicaragua.

When asked how, and under what conditions, he will hand over power on 25 April, he warned of a possible civil war or civil strife. Although Venezuela, Spain, and other countries decided to cooperate with the ONUCA [UN Observer Group in Central America], that is, the peace forces for Central America to demobilize the contras, Daniel Ortega feels that that task basically falls to the Honduran army.

Moreover, Commander Ortega strongly warned, the United States is financing the contras and as long as it continues doing so the situation will remain a powder keg, lacking the conditions to ensure a peaceful transfer of power.

[Begin Ortega recording] Nicaragua is experiencing the most difficult time of these 10 years of revolution, as well as its most dangerous. This time of gravest danger coincides with this most important time, as Nicaragua is about to strengthen and continue consolidating and developing a new democratic order to achieve peace. [end recording]

At any rate, and if the situation changes, he and his party, which he described as the most organized in Nicaragua, will participate in the government as a strict and yet constructive opposition.

Further on Ortega's Remarks

PA1903003490 Paris AFP in Spanish 2349 GMT 18 Mar 90

[Text] Caracas, 18 Mar (AFP)—Today in Caracas Nicaraguan President Daniel Ortega warned that Nicaragua is a powder keg that the "contras" could set off unless they are demobilized with the decisive participation of the United States and Honduras.

"Nicaragua is experiencing the most dangerous time of the past 10 years because it is attempting to develop a new democratic process and is about to achieve permanent peace," Ortega said.

Ortega stopped over in Caracas on his return trip to Managua after attending the inaugurations of Presidents Patricio Aylwin in Chile and Fernando Collor de Mello in Brazil.

The Nicaraguan president expressed concern over statements made by U.S. Vice President Dan Quayle to the effect that Washington should stop aid to the contras when President Violeta Chamorro shows that she is able to control the situation.

With a press report about Quayle's statements in his hand, Ortega exclaimed: "It would seem that we were talking about different things" in Chile and Brazil.

Ortega said that the Nicaraguan president has a commitment to the people and "should not accept conditions with regard to the United States."

Ortega said that the conditions exist for the transfer of power in Nicaragua on 25 April, but warned that if the contras continue to threaten the people, there is the possibility of a civil war because, he said, the rebels do not "understand that the votes were for peace and not to launch an offensive to blow off people's heads."

Orgeta added that if there are "more large-scale offensives"—at least 10 people were killed in clashes this weekend—"the people and the Sandinist Army [EPS] will prepare for the final war" against the insurgents.

The Nicaraguan president reiterated that the governments of the United States and Honduras have primary responsibility in this delicate situation.

He emphasized that Washington gave logistical and financial support to the contras and now should cut off the "humanitarian" aid in order to demobilize them, allowing the Honduran Army to dismantle the contra bases on their territory.

The Nicaraguan president said that the United Nations "blue helmets" should limit their efforts to "supporting" the demobilization, which should be the exclusive responsibility of the United States and Honduras. On 10 March, Ortega discussed the demobilization of the contras with Spanish Prime Minister Felipe Gonzalez and his Venezuelan host, Carlos Andres Perez, on the Venezuelan island of La Orchila, one day after Quayle's stopover in Caracas.

They discussed the subject extensively on 11 March aboard the Spanish presidential plane during the flight to Chile, which took more than six hours. Honduran President Rafael Callejas and Costa Rican President Oscar Arias also participated in the discussion.

Ortega said that during the flight to Chile he pointed out to Callejas the responsiblity of the Honduran Army in demobilizing the contras and that the United States should assist in their repatriation to Nicaragua or relocation to another territory through the organization created by the OAS and the United Nations.

Ortega added that the Sandinist Army will assume the task of ensuring the safety of those who are repatriated to Nicaragua "as it has been doing."

He strongly stated that his government will not negotiate with the contras again. He recalled that the deadline, agreed upon by the Central American presidents for demobilizing the contras, ended on 2 November.

Commenting on President George Bush's request to the U.S. Congress for $300 million for Nicaragua, Ortega said: "We see such an allocation as symbolic aid which would hardly begin to compensate for the serious damage that the United States has inflicted on Nicaragua."

He recalled that in 1986 the International Court of Justice decided in favor of Managua regarding a $17 billion demand for compensation for the blockade imposed by Washington.

Time 'Not Right'

PA1803235790 Hamburg DPA in Spanish 2336 GMT 18 Mar 90

[Text] Caracas, 18 Mar (DPA)—Nicaraguan President Daniel Ortega said today that the conditions in his country are not right for the peaceful transfer of power to Violeta Barrios de Chamorro.

"Nicaragua is a powder keg lacking only a detonator to explode. My country is experiencing very dangerous times that coincide with it's democratic reaffirmation," Ortega said.

In a news conference held this afternoon at Simon Bolivar International Airport 30 km from Caracas, where he had a refuelling stop on his way to Nicaragua, Ortega said he does not believe the contras will demobilize before the change of government scheduled for 25 April; thus, "many Nicaraguans are thinking of eliminating that mercenary group once and for all."

During his talk with the Venezuelan and foreign media, Ortega said he was very concerned about some statements made by U.S. Vice President Dan Quayle to the effect that demobilization will take longer than expected.

"This does not reflect what we discussed (with Quayle) and it is a serious threat to the safety of a people who voted for the Sandinists and for Violeta de Chamorro. That position would undo everything that has been done so far," he said.

He then said the United States cannot impose conditions so that demobilization takes place (the deadline expired last 2 November) and that "the Government of Honduras has an obligation to demobilize the contras. Honduras should assume its responsibility."

When asked about the future of the Sandinist National Liberation Front [FSLN], the president said that "in Nicaragua there is a Constitution that establishes the legitimacy of the FSLN. This is a fact that cannot be denied and there are no plans to amend the Constitution."

Ortega feels that the FSLN is evidence of how one can achieve overall democracy through a revolution.

Finally, the Nicaraguan president reaffirmed the need for demobilizing the contras, because "if the contras continue to threaten, the people will not be at ease (for the inauguration) and there is a risk of a civil war beginning."

Shortly before hosting the news conference, Ortega met in private for 30 minutes with Venezuelan President Carlos Andres Perez.

Panamanian Opposition Party PRD Visits Perez

PA1903191190 Panama City Telemetro Television in Spanish 2300 GMT 14 Mar 90

[Text] The Caracas newspaper EL UNIVERSAL this week published a report on a visit by a delegation from the Panamanian Democratic Revolutionary Party [PRD] to Venezuelan President Carlos Andres Perez, who promised to oversee the fulfillment of the Torrijos-Carter Treaties. The delegation was composed by Marcel Salamin, Eligio Salas, Ernesto Perez Balladares, and Martin Torrijos. Upon concluding the meeting, Marcel Salamin said the delegation had requested President Carlos Andres Perez' support for the definitive consolidation of the Panamanian democratic process. Dr. Ernesto Perez Balladares said the delegation was pleased with President Perez' attitude toward their petition. The delegation also met with Spanish Prime Minister Felipe Gonzalez, who was visiting Venezuela.

Guyana

Hoyte Returns With Gift of Brazilian Generators

FL1903180190 Bridgetown CANA in English 2144 GMT 17 Mar 90

[Text] Georgetown, Guyana, March 17, CANA—President Desmond Hoyte returned home from Brazil on Friday night [16 March] with what must be "good news" for many Guyanese who continue to be plagued by frequent and prolonged power outages. On his arrival at the Timehri International Airport he told an interviewer from the state-owned Guyana Broadcasting Corporation that two 10 megawatt turbines being made available to Guyana as a gift from the Brazilian Government had left Brazil for Guyana.

The Guyanese leader who was in Brazil to attend Thursday's [15 March] inauguration of new Brazilian President Fernando Collor de Mello, also disclosed that he had "a very good conversation" on Friday with Collor and Guyana can look forward to continuing good relations between the two countries.

The turbines were originally scheduled to arrive here since late last year to be installed and commissioned in time for last Christmas but that time frame proved to be too ambitious and the commissioning date was put back. The arrival, installation and commissioning of the two turbines should bring a great measure of relief to the thousands of residents of Georgetown and its environs who, in recent days, have been trying to cope with an average of about six hours of electricity per day because of the continuing problems being experienced by the Guyana Electricity Corporation (GEC) in providing a reliable service.

Greenridge Welcomes Debt Forgiveness by Canada

FL2003174390 Bridgetown CANA in English 1710 GMT 20 Mar 90

[Text] Georgetown, Guyana, March 19, CANA—Guyana's finance minister, Carl Greenidge, says the government welcomes "most sincerely" Canada's decision to forgive Guyana's outstanding official development assistance debt.

The official Guyana Public Communications Agency (GPCA) reported Greenidge as saying that the "wiping off" of the debt was an important aspect of the government's Economic Recovery Programme [ERP].

GPCA said Greenidge pointed to the fact that arrangements with the Paris Club of international lenders did not include the writing off of debt and that in the absence of such an approach, the burden of servicing the country's debt which now stands at approximately 1.6 billion U.S. dollars would be onerous. He said the Guyana Government had drawn this to the attention of the Paris Club and the several donors.

Canadian Prime Minister Brian Mulroney, Monday [19 March] announced Canada's decision to forgive all outstanding official development assistance debt totalling some 182 million Canadian dollars owed to Canada by members of the Commonwealth Caribbean. He was at the time addressing the current Canada/Commonwealth Caribbean heads of government conference which opened Monday in Barbados. Guyana's portion of the debt being forgiven is 37.2 million Canadian dollars. And, in making the announcement, Mulroney noted that countries of the Caribbean have shown particular courage in implementing

necessary economic and structural reforms, in spite of serious social and political costs.

"Through Canada's chairmanship of the Support Group for Guyana and our positive assistance for structural adjustment measures elsewhere, we continue to back this difficult process," Mulroney told the conference attended by Guyana President Desmond Hoyte and the heads of government of other Commonwealth Caribbean countries. The conference ended Tuesday [20 March].

Italy Pledges Food Aid; Donates Rice

FL1903184290 Bridgetown CANA in English 2215 GMT 18 Mar 90

[Text] Georgetown, Guyana, March 18, CANA—Italy, which has pledged U.S. one million dollars in food aid to Guyana, has donated 996 tonnes of rice to the programme, the government's public communication agency says.

The rice arrived in the country last month and is on sale. The proceeds will be utilised to assist in financing the emergency relief scheme called the Social Impact Amelioration Programme (SIAP). It aims to cushion the impact of harsh austerity government measures. The Italian Government has also pledged U.S. 6 million dollars in support to the government's Economic Recovery Programme.

United Republican Party Leader 'Sacked'

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[Text] Georgetown, Guyana, March 16, CANA—Leader of Guyana's opposition United Republican Party (URP) Robert Gangadeen, has been sacked following a specially convened executive meeting on Friday [16 March].

Assistant General Secretary Lloyd Narine told a news conference that the meeting also took action against four other executive members including General Secretary Max Mohammed and Treasurer Rohan Somnarine. Narine said the executive had approved of a motion allowing for an interim committee headed by Wein McEdwards to administer the affairs of the party until its second biennial conference next month at which elections will be held.

He said that since March 1, the executive committee had passed a motion calling on Gangadeen to return to Guyana "to meet with ... members to discuss the unsatisfactory state of the party". The motion had also called on Gangadeen and other U.S.-based executive members to take up permanent residence in Guyana within two months.

Gangadeen has been advocating for Guyana to be made the 51st U.S. state.